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Daily Report

Annex

East Asia

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ANNEX

FBIS-EAS-91-113-A CONTENTS *12 June 1991*

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ANNEX

Japan

Spanish Daily Interviews President Kaifu *[Madrid EL PAIS 2 Jun]* .... 1 — ii
Rice Producers To Hold Mass Rally 1 Jul *[JIJI]* .... 2 — iii
Differences in Joint U.S. Report on Aid Noted *[THE JAPAN TIMES 10 Jun]* .... 2 — iii
Editorial Views U.S. Semiconductor Agreement *[THE DAILY YOMIURI 7 Jun]* .... 4 — v
Editorial on Dispute With U.S. Over Shortfall *[MAINICHI SHIMBUN 4 Jun]* .... 4 — v
Soviet Maritime Province Seeks Joint Ventures *[JIJI]* .... 5 — vi
Policy on DPRK Nuclear Inspections Solidified *[TOKYO SHIMBUN 10 Jun]* .... 6 — vii
North Korean Nuclear Intentions Analyzed .... 6 — vii
First Installment *[THE JAPAN TIMES 10 Jun]* .... 6 — vii
Second Installment *[THE JAPAN TIMES 11 Jun]* .... 7 — viii
Foreign Ministry Comments on Cambodian Talks *[YOMIURI SHIMBUN 6 Jun]* .... 9 — x
YOMIURI SHIMBUN on Nakayama SRV Visit *[THE DAILY YOMIURI 11 Jun]* .... 9 — x
PRC Dissident Remarks on Political Responsiblity *[YOMIURI SHIMBUN 7 Jun]* .... 10 — xi
Saudi Arabia Wants To Buy 50% of Nippon Oil *[THE DAILY YOMIURI 11 Jun]* .... 10 — xi
Defense Agency Decides Against SDF Role *[ASAHI EVENING NEWS 8 Jun]* .... 11 — xii
* Looking at Defense Policy in Era of Change *[KANKAI Mar]* .... 11 — xii
Defense Agency To Improve Patriot Missiles *[JIJI]* .... 17 — 77
Foreign Ministry Opposes Commission Report *[NIHON KEIZAI SHIMBUN 8 Jun]* .... 18 — 78
YOMIURI SHIMBUN on International Trade *[THE DAILY YOMIURI 8 Jun]* .... 18 — 78
Finance Minister Interviewed on Aid, Rice *[SANKEI SHIMBUN 6 Jun]* .... 19 — 79
Response Time on Foreign Complaints To Improve *[NIHON KEIZAI SHIMBUN 30 May]* .... 20 — 80
Obstacles Seen to Hashimoto's LDP Presidency *[THE DAILY YOMIURI 10 Jun]* .... 21 — 81
* Obuchi To Continue LDP-Komeito-DSP Line *[ASAHI SHIMBUN 11 Apr]* .... 22 — 82
* Leadership Rivalry in Miyazawa Faction *[ASAHI SHIMBUN 21 May]* .... 23 — 83
MHI President Discusses Competitiveness, Profits *[SHUKAN KORON Mar]* .... 23 — 83
Firm To Establish Drug Plant in PRC *[NIHON KEIZAI SHIMBUN 22 Apr]* .... 27 — 87
Joint Lease Company To Open in Liaoning, China *[NIHON KEIZAI SHIMBUN 9 Jun]* .... 28 — 88

Mongolia

Central Committee on Property Privatization Law *[MONTSAME to BAKHTAR]* .... 28 — 88
Romanian Foreign Ministry Delegation Visits *[MONTSAME to BAKHTAR]* .... 29 — 89
Academic Suggests Economic Measures *[MONTSAME to BAKHTAR]* .... 29 — 89
Engineers' Society Holds First Congress *[MONTSAME to BAKHTAR]* .... 29 — 89
MONTSAME Reviews Press *[MONTSAME to BAKHTAR]* .... 30 — 90

North Korea

Tourist Official on Western Cultural Influx *[Tokyo TOKYO SHIMBUN 25 May]* .... 30 — 90

Japan

Spanish Daily Interviews President Kaifu

PM1206084091 Madrid EL PAIS in Spanish 2 Jun 91 p 6—FOR OFFICIAL USE ONLY

[Written interview with Prime Minister Toshiki Kaifu by Bosco Esteruelas]

[Excerpt] [Passage omitted] [Esteruelas] International news media and political circles have described Japan as one of the losers, in diplomatic terms, of the last Gulf war. Do you believe that your country's stance was understood in the West?

[Kaifu] Japan's measures to contribute to the Near East conflict were adopted in accordance with our view of the crisis and after examining very closely and carefully what kind of cooperation was possible, taking into account our strong awareness that Japan had to contribute positively to the joint international effort to restore peace and stability in the Gulf area. Our country has striven to secure understanding and approval of the measures adopted, starting with myself, who have given explanations of this. I know that there are different views in some sections of the U.S. Congress and of the news media. However, the countries comprising the multinational force in general regard the measures adopted by Japan as positive, and our aid for the countries adjoining the affected area has been well-received.

Security Council

[Esteruelas] Over the past few months, the voices of those who believe that Japan should be a UN Security Council member have been heard inside and outside your country. What is your opinion?

[Kaifu] Japan is currently the greatest contributor to the United Nations after the United States, and is making an enormous diplomatic effort inside and outside the United Nations to secure international peace and security, always supporting the peaceful resolution of international disputes. For this reason, it is important to ensure for Japan a place within the organization in keeping with the role played within it. Changing the makeup of the Security Council, which requires amending the UN Charter, is an extremely delicate matter.

[Esteruelas] There has recently been worrying news for your country with respect to Europe. Edith Cresson, one of the European figures most critical of Japan, has been appointed prime minister of France, while the EC seems determined to curb imports of Japanese cars. Are you afraid that the single market is finally becoming a fortress?

[Kaifu] As far as the problem of the sale of Japanese cars in the EC is concerned, Japan believes that all barriers to foreign cars should be removed in accordance with the GATT's principles, especially in view of the prospect of the unification of the European market, and I believe that measures consistent with the international rules must be adopted in order to achieve this goal. On the other hand, Japan views with satisfaction the unification of the Community's market, which entails the elimination of borders within the EC. European enterprises expect the Community's economy to be stimulated by this. This recovery will take place in various sectors—for instance, in investments in research and development and in large-scale economies. A structural adjustment will also occur through the strengthening of competition and increased entrepreneurial spirit, as a result of the reduction of controls on business activity. All this could result in the liberalization of the highly protected European economy and the development of the world economy through healthy competition between Japan, the United States, and Europe, as should be the case. However, for this to be so, it is essential that the market be open to the outside world. My ardent wish is that the EC will introduce fair competition and constructive cooperation as soon as possible.

[Esteruelas] Do you feel optimistic that the Uruguay Round will end soon, following the recent resumption of negotiations?

[Kaifu] In April it was decided to extend the fast track procedure (delegation of Congress' powers to the U.S. Administration)—a positive factor for the future negotiation. The most important thing is to expedite the negotiation by encouraging the countries politically on the occasion of the OECD ministerial meeting and the next summit of the seven most industrialized countries, and to strive to the utmost to reach a substantial agreement at the end of the year. The Uruguay Round is essential for strengthening the multilateral trading system with a view to the next millenium and for preventing protectionist tendencies such as unilateralism, closed regionalism, and controlled trade from taking root. We cannot afford the luxury of failure, and success must be achieved, even if the cost is high. There still remains a great deal to be done, and the countries taking part should do their utmost.

Opening Market

[Esteruelas] Will your government finally decide to liberalize rice imports soon?

[Kaifu] Japan is the world's leading importer of foodstuffs. The Japanese level of self-sufficiency in foodstuffs in extremely low; only 48 percent of the calories consumed by the Japanese comes from native products—hence the great interest in security with respect to food. We are making an enormous effort to secure a greater opening of the foodstuffs market without awaiting the outcome of the Uruguay Round. For instance, imports of beef and citrus fruits have been liberalized. In international trade it is urgent that we resolve the problem of export subsidies, and, from this viewpoint, I wish to state that, with respect to the problem of the oversupply of rice, Japan is making a stringent adjustment of its production.

II

[Esteruelas] What results do you expect from the visit to your country which Spanish Prime Minister Felipe Gonzalez began yesterday, Saturday?

[Kaifu] Traditionally, there are friendly relations between Japan and Spain, which is an important European country, an EEC and NATO member, and the country in which the Barcelona Olympics and the Seville World Fair will be held in 1992. I want relations between the two nations to be strengthened even further; all of this being connected with the need to strengthen relations between Japan, the United States, and Europe. My government attaches great diplomatic importance to relations with Spain because of what these mean for strengthening further our ties with the EC. There is also the great bond between the Spanish royal family and the Japanese imperial family. We had the honor of receiving the Prince of Asturias' visit on the occasion of the emperor's enthronement ceremony last year, and I have heard that Prince Takamado and his wife have just had a warm welcome in Spain last month.

"Spain's Year"

[Esteruelas] Japanese investments in Spain have increased appreciably over the past four years, but the amount is still very small in comparison with other EC countries. According to a report drafted by a group of Japanese businessmen who visited the country recently, Spain is one of the Community countries which currently most favor and least distrust Japanese investments in Europe. What is your opinion?

[Kaifu] Spain has a number of features which favor foreign investment, such as its political stability, positive incentives for investment, its workers' high degree of skill, and the historical ties with the Latin American countries. Moreover, next year, together with the launching of the single market, will see a great number of very important events, all of which makes it Spain's year. I expect that foreign investment in Spain—and I include Japanese investment in this—will be boosted even further. It is my sincere wish that Spanish-Japanese economic relations, including the exchange of investments, will be expanded. Referring specifically to direct Japanese investment in Spain, I must say that up to the first half of 1990, 305 investment projects worth $1.664 billion were implemented, and this trend is clearly increasing. However, from the overall viewpoint of the EC, I am of the opinion that there is still scope for Japanese investment to increase, since it ranks sixth both in the number of activities carried out and in the sum invested. On the other hand, I would like to add that I hope that the quotas which Spain still imposes on imports of 16 Japanese commodities—a measure which is certainly discriminatory against Japan—will be removed as soon as possible.

Rice Producers To Hold Mass Rally 1 Jul

OW1106150791 Tokyo JIJI in English 1342 GMT 11 Jun 91—FOR OFFICIAL USE ONLY

[Text] Tokyo, June 11 (JIJI PRESS)—An unprecedented large- scale rally by rice producers will be held here on July 1 to appeal for maintenance of self-sufficiency in rice, officials of a powerful rice prtducers' group said Tuesday.

The Central Union of Agricultural Cooperatives (Zenchu) plans to mobilize rice producers nationwide and invite some 400 legislators for the rally at the Tokyo dome, the officials said.

The group wants to invite Keizo Obuchi, secretary-general of the ruling Liberal Democratic Party (LDP), and Takako Doi, chairwoman of the Social Democratic Party of Japan (SDPJ), to deliver speeches, they said.

A total of over 50,000 people will likely take part in the rally, to be co-sponsored by the National Chamber of Agriculture and other groups of farmers, citizens and consumers, they said.

The move is an attempt to appeal to the government not to bow to foreign pressure to liberalize Japan's rice market.

The government is expected to make a decision to partially open Japan's rice market, possibly before the London summit meeting of the seven industrial nations July 15-17.

Differences in Joint U.S. Report on Aid Noted

OW1106184291 Tokyo THE JAPAN TIMES in English 10 Jun 91 p 9—FOR OFFICIAL USE ONLY

[Text] Despite generally agreeing on the need for stronger bilateral and regional aid cooperation, Japanese and U.S. experts differ on the administration of development assistance in the Asia- Pacific region.

In a final report issued recently by the U.S.-Japan Working Group, concern was expressed that "Japan provides far larger assistance and directs that assistance to infrastructure, whereas U.S. aid levels are declining and are aimed at balance of payments support and basic human needs."

The group, consponsored by the U.S. Center for Strategic and International Studies and the Asia-Pacific Association of Japan, met in Tokyo to formulate policy recommendations that would enhance economic growth in the Asia-Pacific region while avoiding disintegration into competing, regional North American and East Asian economic blocs.

The panel discussions were cochaired by Yoshio Okawara, executive adviser of Keidanren, and William Rogers, a former U.S. undersecretary of state.

Aid, commercial interests

In a May 29 panel discussion, Ernest Preeg, a former senior economic adviser for the Philippines and chief economist at the Agency for International Development, accused Japan of failing to separate economic aid from commercial interest.

III

Japanese tied aid adversely affects U.S. trade and contract opportunities in the region, Preeg said.

Negative reactions to such aid from the U.S. administration, the Export-Import Bank and private sector could have an adverse political impact on U.S.-Japanese relations, he warned.

However, Ryokichi Hirono, a Seikei University professor, insisted that Japanese official development assistance has shifted away from a commercial orientation towrd building social infrastructure and addressing basic human needs for education and health care.

In the 1960s, Hirono admitted, ODA [Official Development Assistance] was clearly directed at expanding exports to promote Japan's economic recovery. Then, in the 1970s the goal was resource procurement, he said.

But by the 1980s, Japan's balance of payments surplus superseded commercial motivations to ODA, he said.

Emphasizing what he called "the huge gap" between Japan's $5.5 billion ODA and its exports, Hirono implored Americans not to inflate the perceived impact of Japanese aid on U.S. trade in the region.

Nevertheless, Tokyo University professor Akihiko Tanaka said that in recognition of the influence of such perceptions on U.S. policy decisions, Japan should be careful to give sufficient opportunities to U.S. industry.

Kent Calder, director of Princeton University's Program on U.S.- Japan Relations, supported this concept of an "affirmative action plan" to promote the involvement of U.S. and other non-Japanese firms in East Asia.

In addition Calder called for compensating liberalization to offset Japan's rising domination of Asia-Pacific production, especially in areas where the United States has a competitive advantage such as telecommunications services and value-added net- works.

Further expansion

In the face of Japan's heavy spending on research and development and capital investment in high technology, the prospect of a further expansion in Japanese market share in the Asia-Pacific region is very real, Calder said.

Although the magnitude of Japanese ODA is not very large in the aggregate, the same is not true on a sector-specific basis, where Japanese ODA has edged out U.S. involvement, he said.

"The aid/trade relationship is contentious between the United States and Japan because the United States finances few infrastructure projects with aid funding, in contrast to large Japanese capital projects," the final report says.

In particular, U.S. presence in East Asia's engineering sector has suffered as a result of Japanese tied aid, Preeg said.

Preeg called on the U.S. to increase its level of aid, especially for infrastructure, transportation, telecommunications and power generation.

National security

The gradual disappearance of U.S. interests in entire industry sectors could have a long-term impact on national security interests in the region, he warned.

Preeg criticized U.S. policy as "unbalanced"—devoting national resources to security at the expense of economic aid—and said the U.S. should not continue its role as world policeman.

But he acknowledged the underlying conflict in U.S. foreign policy toward Japanese ODA.

With U.S. foreign policy still overwhelmingly dominated by national security concerns, many U.S. oficials argue in favor of burden sharing, calling for increased Japanese ODA spending as compensation for its low levels of defense spending, Preeg said.

International pressure

Indeed, Japan has come under considerable international pressure to increase ODA spending from 0.35 percent of GNP to 0.7 percent.

Hirono recognized the need for Japan to strengthen its ODA infrastructure by increasing the Finance Ministry's professional manpower and establishing the Japan Society for International Development as well as the Foundation for Advanced Studies in International Development.

Bilateral tension over the administration of development assistance is compounded by the lack of relevant economic data for analysis, Preeg said.

The joint report urges Japan and the U.S. to "increase data exchange to promote transparency of their respective data programs."

"A U.S.-Japanese initiative, within the Asia-Pacific Economic Cooperation framework, could completely untie aid for infrastructure projects, on a mutual basis, including open procedures for bidding on and awarding contracts," it says.

Preeg emphasized that announcement of contract winners and terms, as well as procedures for challenging those terms, should be a fundamental part of open, international competitive bidding.

Japanese and U.S. views also diverge on the appropriate nature of economic aid to centrally planned economies in East Asia—particularly China, Vietnam and North Korea—where market-oriented reforms are creating an opportunity for Japan and the U.S. to significantly influence their development paths.

While U.S. economic aid to communist countries is politically sensitive and constrained by law, Japanese

IV

officials want to focus on economic and for long-term results and are concerned that economic or political conditionality could act as an obstacle to economic development.

Coordination

To avoid trade friction and conflicts of interest, both sides agreed on the need to coordinate development assistance.

Tanaka advised Japan to maintain its relationship with Asia's socialist countries to promote democracy and liberalization but warned that it should not get too far out in front with bilateral aid for historic and political reasons.

Editorial Views U.S. Semiconductor Agreement

OW0706120091 Tokyo THE DAILY YOMIURI in English 7 Jun 91 p 6—FOR OFFICIAL USE ONLY

[YOMIURI SHIMBUN 6 June editorial: "Japan-U.S. Agreement on Chips"]

[Text] Japan and the United States should avoid emotional confrontation to resolve current trade issues and constructively overcome friction so that they can harmonize their markets to the benefit of both.

Disputes now center on five areas: the share of Japanese cars in the U.S. market; access by U.S. construction firms to Japanese public works projects; the cozy relationship within groups of Japanese companies, called "Keiretsu;" demands by the United States that Japan open its rice market; and the semiconductor trade. Bilaterial friction covers a wide spectrum from high-tech products to agricultural produce and the traditional Japanese way of doing business.

The semiconductor problem seems to have been overcome at least for the moment. Japan and the United States agreed to revise and extend the 1986 pact. The main points of this agreement are the promotion of U.S. chip exports to Japan and the prevention of dumping of chips by Japan in the U.S. market.

The previous agreement was strongly criticized by the General Agreement on Tariffs and Trade for controlling markets in violation of the spirit of free trade. The new agreement ignores this complaint.

MITI's Tough Task

The biggest problem in this agreement is the fact that it refers to ensuring a foreign share of Japan's chip market. The agreement states that the United States expects foreign semiconductor makers to obtain 20 percent of Japan's chip market and that Japan believes this figure can be attained but gives no guarantee.

Under the principle of free trade, market shares should be determined through fair competition. Deciding shares in advance means controlled trade.

Moreover, private companies buy chips, which leaves the International Trade and Industry Ministry with the task of trying to convince Japanese companies to import more foreign semiconductors.

Also strange is the agreement that Japan and the United States are to calculate the market share using their own statistics. This will lead to differences in perception and possible friction in the future.

However, we highly appreciate the fact that the new agreement will encourage private companies of the two nations to move ahead with the joint development of semiconductors, including sharing designs and promoting technical tie-ups. Such joint development programs will result in the sharing of profits between companies of the two countries and reducing of trade friction.

Preferential Treament

In considering the series of trade frictions between the two nations, we notice a common phenomenon. Japan's market is always characterized as exclusive with vague rules and excessive with vague rules and excessive competition. Japan tries to compensate for these defects by controlling trade or offering preferential treatment to the United States.

One-third of Japan's total exports go to the United States and Japanese enterprises make their biggest investments in that country. Therefore, it is very difficult for Japan to solve bilateral trade issues with Washington only on a rational basis. Japan is too dependent on the United States and strongly linked by the security relationship.

Since the two nations account for 40 percent of the world's total gross national product and their influence on the world economy is enormous, they should abandon controlled trade and make efforts to create a free and nondiscriminatory world market.

As a start in this direction, Japan and the United States should make sure any bilateral agreement does not exclude the European Community, Asia and other areas of the world. Both nations should expand any bilateral agreement to the extent that it becomes a multilateral agreement.

Editorial on Dispute With U.S. Over Shortfall

OW1106022391 Tokyo MAINICHI SHIMBUN in Japanese 4 Jun 91 Morning Edition p 5—FOR OFFICIAL USE ONLY

[Editorial: "Lessons Learned From Japan-U.S. Dispute Over $9 Billion Shortfall"]

[Text] The Japanese Government is expected to settle the dispute with the United States over Gulf contributions by making up for a shortfall of approximately $500 million accrued from the fluctuating exchange rate between the yen and dollar on the $9 billion that Japan provided to the multinational forces.

The government and the ruling Liberal Democratic Party are reportedly planning to disburse $500 million (approximately 70 billion yen) from a reserve fund for the fiscal 1991 in the name of meeting post-war costs.

The payment of this money has remained a subtly tricky issue between Japan and the United States since the end of the Gulf war. Though we welcome the settlement of the issue between the two countries, something quite unclear lingers in our minds. Furthermore, a financial shortfall problem brought about by the fluctuating exchange rate between the yen and dollar has developed into a diplomatic issue between the United States and Japan that has pronounced their global partnership with their GNP ranking first and second in the world. We cannot but see this latest development as incredible.

This kind of problem involving the shortfall accrued from the fluctuating exchange rate between the currencies of Japan and the United States, has seldom occurred between the enterprises and individuals of the two countries.

The U.S. Government has consistently contended that "Finance Minister Hashimoto pledged $9 billion but did not say that the amount would be paid in a yen denomination. " In response, the Japanese Government, in its testimony to a Diet session, definitely indicated that "it would pay $9 billion in a yen denomination and would not make up for any financial shortfall accrued from the fluctuating exchange rate between the yen and dollar. "

Finally, the government decided to pay $500 million to the Council Cooperation Conference (GCC) peace fund, not in the name of making up for the shortfall, but meeting post-war costs. Since the government thought of a yen denomination and insisted upon it, it should have done all it could to gain the understanding of the United States.

If the government decided to pay $500 million in the name of meeting post-war costs as a result of talks with the United States, it should have clearly explained the details of why it decided to do so to the people.

Japan expressed a willingness to pay $9 billion with conditions attached, even through tax increases, in the belief that such a financial burden would contribute to building a peaceful international community and to maintaining it.

Japan's delay in responding to the Gulf war was criticized and a claim was laid about "the amount of the check" issued by Japan. It is quite natural for national sentiment to not tolerate this. We think that the government should learn many lessons from the issue of the shortfall demanded by the United States.

First, we believe in some respects that Japan simply cannot blame the United States for this misunderstanding. This January, Finance Minister Hashimoto held talks with U.S. Treasury Secretary Brady with no Finance Ministry officials present and no remarks documented. We feel there was a certain carelessness on the part of top Finance Ministry officials in the handling of the talks.

Second, the 31 January cabinet meeting approved "financial measures concerning assistance," and "the basic idea of the financial measures definitely indicated $9 billion (approximately 1.19 trillion yen) in financial contributions in addition to financial contributions made previously by Japan."

However, the actual amount disbursed by Japan to the Gulf peace fund amounted to 1.17 trillion yen, less than the 20 billion yen amount that the Cabinet meeting approved.

This shortfall occurred because of a slight gain in the yen's exchange rate against the dollar between the time a financial draft bill was submitted to the Diet and the time the Cabinet meeting approved the financial measures. In view of these particulars, the government appeared not to be willing to provide the $9 billion at first and this would have caused the misunderstanding on the part of the United States.

We do not think that the United States demand to make up for the shortfall is reasonable. Japan provided a total of $2 billion from last autumn to late last year.

At the time of Japan deciding on the amount and paying it, the yen's value against the dollar remained high and this resulted in paying the United States extra money brought about by a change in the exchange rate between the two currencies. Why then did the United States forcibly press Japan to make up for the shortfall? We hope that the United States will deal coolly with the issue in a forward-looking manner.

Soviet Maritime Province Seeks Joint Ventures

OW0606180491 Tokyo JIJI in English 1325 GMT 6 Jun 91—FOR OFFICIAL USE ONLY

[Text] Toyama, June 6 (JIJI PRESS)—Leaders of the Soviet Maritime Province in a seminar held here Thursday sought joint ventures with Japanese firms to commercialize their mineral and marine resources.

The officials are here for talks to enhance friendly relations with this central Japan prefecture.

They include Vladimir Baturin, vice chairman of the Executive Committee of the Maritime Province; Viktor Tumanov, director of the committee's external economic relations department; and Anatoliy Korotchenkov, director of the division of analysis and prognostication for external affairs and free enterprise.

The officials mentioned fish processing, ship repair and road construction as priority areas for setting up joint ventures. They explained that Nakhodka, which will become a special economic zone, will be offering tax incentives to foreign companies.

VI

Policy on DPRK Nuclear Inspections Solidified

OW1106133491 Tokyo TOKYO SHIMBUN in Japanese 10 Jun 91 Morning Edition p 1—FOR OFFICIAL USE ONLY

[Text] With respect to the issue of the DPRK (North Korea) accepting nuclear inspections, the Japanese Government has firmed up its policy. It will stipulate that when the Board of Governors from the International Atomic Energy Agency (IAEA) approves the agreement on security measures (on nuclear inspections) with North Korea, it should set the condition that North Korea will have to report on all nuclear facilities subject to such inspections. The government will work on IAEA member countries so that a majority of members will support this condition during the Board of Governors' meeting slated for September.

The IAEA's inspection system is based on receiving reports from the countries accepting inspections. That being the case, this measure aims to plug "loopholes" through which North Korea might try to squeeze and not file reports on nuclear facilities where it might be developing nuclear weapons.

In particular, at issue are facilities North Korea is reportedly constructing for reprocessing used nuclear fuel. The United States (Under Secretary of Defense Wolfowitz) is pressing for abolition of these facilities, asserting that there is no conceivable use for them except the production of nuclear bombs.

The IAEA's inspection system, however, does not call for reporting on nuclear facilities under construction. Therefore, concerning facilities suspected of developing nuclear weapons, the Japanese Government plans to propose setting up a system whereby the IAEA is empowered to conduct compulsory inspections where recommended by the UN Security Council; these facilities would thus be subject to "conditional ratification."

There is no ingenious scheme that can be devised, however, to counter North Korea's refusal to accept the IAEA's inspection system. It seems that dealing with nuclear recycling facilities will remain a ticklish issue.

If everything goes well with the inspection agreement between IAEA and North Korea, it will be submitted to the Board of Governors meeting in September; it is highly likely that it will be approved.

The usual practice is that once the inspection agreement is approved the country in question will sign, within 90 days, a supplementary agreement with IAEA, which stipulates that it will submit a report on nuclear facilities subject to inspection.

North Korean nuclear facilities currently subject to inspection are two small-sized reactors and one medium-sized research reactor. The "conditional ratification" contemplated by the Japanese Government will try to keep North Korea from neglecting such reporting.

North Korean Nuclear Intentions Analyzed

First Installment

OW1106143891 Tokyo THE JAPAN TIMES in English 10 Jun 91 p 24—FOR OFFICIAL USE ONLY

[First installment of the two-part article by Hiroyuki Kishino, diplomat in the Foreign Ministry temporarily attached to the International Institute for Global Peace: "Is Pyongyang Going Nuclear?"]

[Text] Despite cautious optimism on the future of the Korean Peninsula, concern over the nuclear development of North Korea is widespread in Japan. Behind this concern exists a profound fear of possible nuclear proliferation in East Asia, which would undermine regional stability. In case Pyongyang should go nuclear, Seoul would follow suit. This would push Japan into a vulnerable position and might even affect its traditional non-nuclear policy.

Suspicion over North Korea's nuclear development is a common security concern for South Korea, Japan and the United States. It is also a source of concern for the Soviet Union and China. North Korea's development of nuclear weapons should be deterred. Its intentions are not clear. In addition, there is no sure way to prevent Pyongyang from going nuclear if it is determined to do so.

These elements make policy vis-a-vis North Korea difficult and complicated. To prevent it from going nuclear a combination of policy measures, which can be applied at each stage of development, is needed. Policy coordination among Japan, South Korea and the U.S. is of particular importance. So is close consultation with the Soviet Union and China.

Knowledge of North Korea's nuclear development program is scant. Yet circumstantial evidence exists that it might be secretly developing nuclear weapons. In Yongbyon, 90 km north of Pyongyang, several nuclear plants have been detected by satellite. Beside a research reactor, a small nuclear reactor of about 30 megawatts (MW) has been in operation since 1987. A larger nuclear reactor of about 200 MW is now under construction; it is expected to be completed this year. A facility regarded to be a nuclear-fuel reproessing plant is also under construction; it is estimated to be in full operation in two or three years.

These facilities look very suspicious. First, a nuclear-fuel reprocessing plant to produce plutonium is beyond North Korea's energy needs, viewed from its level of nuclear technology. North Korea has no nuclear-fuel cycle. Second, the aerial view shows no transmission lines around the nuclear facilities in Yong-byon. This implies that they are not for power generation.

Third, these facilities are located in a hilly area, hard to detect. They are guarded by air defense systems. These suggest that great importance is attached to these facilities by the North Korean authorities. What then are these facilities for? It is suspected that they are intended to produce plutonium for developing nuclear weapons.

Pyongyang officially denies any intention to develop nuclear weapons. Further, it asserts that it does not have the capability. Yet widespread suspicion about North Korea's nuclear development cannot easily be wiped out with mere denials. Worse, Pyongyang has not yet concluded a safeguards agreement with the International Atomic Energy Agency [IAEA]. This is a violation of Article 3 of the Nuclear Non-Proliferation Treaty (NPT), of which North Korea has been a signatory since 1985.

This has fueled suspicion. Why does North Korea not sign the agreement? What does it intend to achieve by not doing so? Two hypotheses are conceivable.

First, Pyongyang might be serious in developing nuclear weapons. In view of its international isolation and the widening economic gap with South Korea, North Korea may well attempt to drastically change the strategic environment on the Korean Peninsula by acquiring nuclear weapons. If this should be the case, the game North Korea has been playing with the international community over an IAEA safeguards agreement would turn out to be just camouflage to buy time for nuclear development.

Second, North Korea might intend to draw maximum political and security concessions from the U.S. and South Korera by using the nuclear card. In this case, Pyongyang would not be so much interested in the actual development of nuclear weapons; instead, its main objective would be to make the best use of such a possibility as a bargaining chip. The conditionality North Korea attaches to accepting safeguards, namely the removal of U.S. nuclear weapons allegedly stored in South Korea and the assurance that nuclear weapons will not be used against North Korea, suggests this possibility. In addition, proponents of this second hypothesis maintain that Pyongyang cannot afford to develop nuclear weapons economically and technologically. If so, there would be some room for diplomatic efforts.

Which hypothesis is right has yet to be proved. Either case or even a combination of the two is possible. At this moment, however, we cannot go beyond mere guesswork. A prudent policy, therefore, would be to prepare for the worst scenario. If North Korea really intends to possess nuclear weapons some day, it is of grave concern to Japan's own security. Therefore it must be prevented.

The unclear isue is one of the few cards North Korea possesses in its bargaining with the U.S. and South Korea. Pyongyang, therefore, will not give up this card easily. In this circumstance, what leverage can we use to discourage North Korea's unclear program? No sure preventive measures are available if a surgical operation is not an option. So far we have five cards, though none of them is decisive by itself.

First, the international community could continue to exert pressure on Pyongyang at the IAEA to conclude a safeguards agreement. This is not a strong card, though, for it wold be counterproductive if North Korea should feel so isolated that is withdraws from the NPT To date North Korea, sticking to its own conditionality has turned a deaf ear to the international voice. Although it is good news that Pyongyang announced on May 28 the decision to resume its talks with the IAEA on a safeguared agreement, we connot be too optimistic at this point.

Second, Japan could continue to raise this issue in its negotiations on normalization of relations with North Korea. Japan has a legitimate right to do so as the issue concerns this nation's own security. It makes no sense for Japan to establish diplomatic relations with a country that does not fulfill the NPT obligation and thus has the potential to threaten Japan's security. Pyongyang's conclusion of an IAEA safeguards agreement will be a step to that end, even though not sufficient.

How strong is Japan's leverage? It depends on how desperate North Korea is in its effort to acquire funds from Japan by normalizing relations. It also depands on to what extent North Korea con sacrifice its political card for the sake of economic benefits.

Third, Washington could press Pyongyang to conclude an IAEA safeguards agreement through its dialogue with North Korea; it has done so with China through diplomatic dialogue in Beijing. The U.S. has set a resolution of this issue as a condition foe upgrading the level of dialogue and as a step toward normalization of relations, which North Korea has been longing for. Pyongyang, on the other hand, has been sticking to its conditionality concerning Washington's unclear policy. This seems to be a North Korean tactic to draw the U.S. to the negotiating table.

Second Installment

OW1206053991 Tokyo THE JAPAN TIEMS in English 11 Jun 91 p 22—FOR OFFICIAL USE ONLY

[Second and last installment of the two-part article by Hiroyuki Kishino, diplomat in the Foreign Ministry temporarily attached to the International Institute for Global Peace: "Next Step With North Korea"]

[Text] The U.S.-North Korean context is the most knotty aspect of the nuclear issue. The United States so far is steadfast in its stance not to deal with North Korea on this issue. The utmost the U.S. can offer is the general negative security assurance to nonnuclear states, not one specifically for North Korea.

The issue of nuclear weapons in South Korea is perceived by the U.S. as a matter to be handled with South Korea, and not with North Korea. In addition, the U.S. "neither confirms nor denies nuclear weapons" policy makes a negotiated settlement of this issue virtually impossible.

As long as this U.S. policy remains unchanged, there will be no bargaining. However, if a new development occurs in which both the U.S. and South Korea come to the same recognition that landbased nuclear weapons in

South Korea are no longer necessary in deterring the potential threat from North Korea, this U.S. leverage may become effective in combination with leverage from South Korea as outlined below.

There are two other possible steps to discourage North Korea's nuclear program. In the fourth one, South Korea could press North Korea on the issue through a North-South dialogue. However, North Korea will not yield to South Korea's demand for nothing.

South Korea, on the other hand, will not make any concessions that may work to the advantage of North Korea. As long as the deep distrust between North and South persists, no major development can be expected. Yet if the removal of land-based nuclear weapons enters the agenda later, as mentioned earlier, South Korea will be able to use this card to its advantage in dealing with North Korea to work out some package agreement.

Fifth, the influence of the Soviet Union and China, long-time North Korean allies, could be counted on to a certain extent. This approach has already been taken; the North Korean nuclear issue was discussed as a common concern at the Japan-Soviet as well as the South Korean-Soviet meetings during Mikhail Gorbachev's visits to these countries in April. The Soviet Union has been more eager to press North Korea on this issue than China.

Both Moscow and Beijng share the concern that Pyongyang's development of nuclear weapons is a source of instability in East Asia. However, they do not want to push North Korea into a corner and make it feel desperate. So measures taken by the Soviets and the Chinese against North Korea until now have been limited. Yet if the danger of North Korea's development of nuclear weapons becomes imminent within a few years, more forceful measures involving the Soviet Union and China will be needed. Without their cooperation, no effective, strong measures can be taken against Pyongyang.

What is obvious by now is that no single measure will coerce North Korea to abandon its nuclear program. If Pyongyang is really pursuing development of nuclear weapons, not many options are left. If North Korea's aim is anything else, there remains room for maneuvering.

In order to completely eliminate the nuclear weapons program, three steps should be taken. First is North Korea's conclusion of an IAEA [International Atomic Energy Agency] safeguards agreement. Second is the strengthening of the present safueguards system in such areas as frequency and extent of inspection. Third is the scrapping of its nuclear fuel reprocessing plant as plutonium is beyond North Korea's energy needs at least in the near future. How the issue evolves is largely up to the forthcoming diplomatic games to be conducted between North Korea and the countries concerned.

For the moment, Japan will be a major player in dealing with Pyongyang on the nuclear issue. North Korea is anxious to normalize relations with Japan by concluding the negotiations as quickly as possible. Japan, on the other hand, with no reason to hurry, has a relatively strong bargaining position.

If the North Korean leadership comes to feel that their nation is in economic crisis and on the verge of collapse, then Japan's leverage against that country will be even stronger. Whether or not this is the case is yet to be seen.

If the North Korean leadership comes to feel that their nation is in economic crisis and on the verge of collapse, then Japan's leverage against that country will be even stronger. Whether or not this is the case is yet to be seen.

North Korea, however, may not be in such desperate condition. American scholars who visited there recently observed that the country would not collapse in the near future despite its economic stagnation. It should also be kept in mind that politics still dominates economics in North Korea, though economic factors have been gaining importance in its external policy.

This trend will probably remain unchanged as long as the present North Korean regime is sustained. If so, Japan's leverage may not be strong enough to have Pyongyang completely give up its nuclear program, including the scrapping of the reprocessing plant. The U.S. and South Korea are carefully watching how North Korea reacts on the nuclear issue in Japan-North Korea talks, hoping to garner hints for working out the next steps.

The next stage will emerge when the withdrawal of U.S. nuclear forces alleged to be in South Korea comes on the agenda between Washington and Seoul. This will provide a new bargaining chip to the U.S. and South Korea. This removal is a bilateral issue between the two countries, and the decision on the question will be based on their assessment of the security environment on the peninsula and South Korea's internal politics. It is not directly linked with North Korean demands.

From the viewpoint of military technology, there is no reason for the U.S. to maintain nuclear weapons on South Korea soil in order to provide a nuclear umbrella; sea-launched nuclear missiles can play that role. Therefore, a decision on removal of suth weapons is a political one. If the decision is made, it may then be used as a bargaining chip for the North Korean nuclear issue.

In this context, it is worth noting that William J. Crowe and Alan D. Romberg suggest, in their article "Rethinking Security in the Pacific" in the spring issue of Foreign Affairs, a package formula of North Korea's accepting full-scale safe-guards, the removal of U.S. nuclear weapons in South Korea and the establishment of U.S.-North Korean relations.

It is not clear whether Pyongyang will be satisfied with the removal of nuclear weapons alone. It will probably provide psychological relief to the North Koreans, who have been

IX

extremely security-conscious out of long-term international isolation. If North Korea is aware of a need for a compromise by this time, this will provide a good opportunity.

There is a greater possibility that some kind of de facto deal can be worked out between North and South on the nuclear and related issues at this new stage. Yet a question still remains as to how far this deal will go. In order to persuade North Korea to abandon its reprocessing plant, it may be necessary for the external powers to guarantee a supply of nuclear fuel whenever it is needed in the future.

If North Korea should aim to develop nuclear weapons, the scenario described above would need to be totally different. It is estimated that the earliest that Pyongyang could acquire old-type nuclear weapons would be the mid-1990s. If North Korea's nuclear program should continue to proceed without any safeguards, panic would develop among other concerned countries. International opinion would harden, with the number of proponents of tough measures against North Korea increasing. At this state, certain sanctions would be needed with the cooperation of the Soviet Union and China, major trading partners and supporters of North Korea. I hope, however, that the issue will be settled before this stage.

Foreign Ministry Comments on Cambodian Talks

OW0806034291 Tokyo YOMIURI SHIMBUN in Japanese 6 Jun 91 Morning Edition p 3—FOR OFFICIAL USE ONLY

[Text] A Foreign Ministry source commented 5 June on future prospects for Cambodian peace. The Jakarta conference has ended without reaching any accord on peace. The source pointed out the following possibilities: 1) moves for peace will be suspended, and the civil war will be intensified; 2) the Sihanouk and Son Sann factions of the National Government (tripartite coalition) will part with the Pol Pot faction, and peace will be achieved through cooperation between these two factions and the Phnom Penh government; and 3) the Pol Pot faction, which has become isolated following the recent conference, will make major concessions, and peace will be brought about by all the four factions.

Then, the source indicated that as far as Japan is concerned, it would be most desirable to "have peace achieved by all the four factions," but it cannot be helped if "peace has to be achieved without the participation of the Pol Pot faction".

YOMIURI SHIMBUN on Nakayama SRV Visit

OW1106232691 Tokyo THE DAILY YOMIURI in English 11 Jun 91 p 6—FOR OFFICIAL USE ONLY

[YOMIURI SHIMBUN 10 June editorial: "Nakayama Knocks on Vietnam's Door"]

[Text] On Monday, Foreign Minister Taro Nakayama arrives in Vietnam for a week-long visit. He will be the first Japanese foreign minister to visit the country since the North and South were unified in 1976 to become the Socialist Republic of Vietnam.

Nakayama's tour represents a historic step in the relationship between Japan and Vietnam. Regrettably, not much progress has been made because of a long-standing delay in the Cambodian peace talks.

In 1977, then Prime Minister Takeo Fukuda unveiled Japan's foreign policy for Southeast Asia in what was called the "Fukuda Doctrine." Since then, Japan has sought to develop stronger relations with Indochina and to contribute to peace and prosperity within Southeast Asia in cooperation with the Association of Southeast Asian Nations.

Japan's rationale behind the policy is to play a key role in the advancement of coexistence and coprosperity in Southeast Asia.

Since 1975-prior to Vietnam's unification—Japan has been providing economic assistance to North Vietnam. In 1978, the Vietnamese foreign minister paid a visit to this country.

However, the relationship was seriously hampered soon after the visit when Vietnamese troops invaded Cambodia. Japan froze economic assistance to Vietnam in concert with the ASEAN countries, amid calls for the pullout of Vietnamese troops.

Vietnam paid dearly for the invasion. A consequent delay in the normalization of diplomatic relations with the United States and China imposed a heavy burden of military expenditures. It also prompted rapprochement between China and the Soviet Union.

In 1989, Vietnam finally withdrew its troops from Cambodia.

Toward Reforms

Cambodia has ceased to be an area of conflict among major powers. The stumbling block for a comprehensive peace plan compiled by the United Nations' Security Council and Indonesia, which cochairs the international Cambodian peace conference in Paris, lies in how to settle conflicts among the four rival factions in Cambodia.

By mapping out its own peace plan to supplement the comprehensive plan, Japan has been trying to settle the differences among the factions to achieve peace in the region.

In the meantime, Vietnam is in the midst of major economic reforms, including the introduction of a market economy, although it maintains single-party rule.

As economic assistance from the Soviet Union dropped sharply in recent months, Vietnam has tried to expand its links with Western democracies, including Japan. The move is seen as a decisive factor in the success of the country's ongoing economic reforms and open- door policy.

A country blessed with rich natural resources and a diligent work force, Vietnam has received high marks for its potential strength as it shifts from a wartime Communist-style central economy to a peacetime market economy.

Linkage

Vietnam is held greatly responsible for the current situation in Cambodia. Nakayama should encourage Hanoi to wield its influence to persuade the Vietnamese-backed Hun Sen administration to accept the comprehensive peace plan.

The United States has linked the normalization of diplomatic ties with Vietnam to the four-stage implementation of the comprehensive peace plan.

Japan, in the meantime, should decide on the timing of its resumption of full-fledged development assistance by taking into account Vietnam's efforts to realize regional peace and moves within the international community.

Nakayama should encourage Vietnam to go ahead with its economic reforms and open-door policy. In this respect, it is meaningful for Japan to extend intellectual assistance by expanding exchanges between Japan and Vietnam.

The question remains as to how Japan should proceed with the improvement of bilateral ties with Vietnam, while taking into account developments in the Cambodian situation.

Nakayama's visit will once again spark debate as to the role of Japanese diplomacy.

PRC Dissident Remarks on Political Responsiblity

OW0906141691 Tokyo YOMIURI SHIMBUN in Japanese 7 Jun 91 Morning Edition p 4—FOR OFFICIAL USE ONLY

[By Ryoichi Hamamoto]

[Text] What are prodemocracy Chinese activists in Japan thinking about on the second anniversary of the Tiananmen incident? YOMIURI SHIMBUN has interviewed Zhou Nan, chairman of the Japan chapter of "the Front for Democratic China [FDC] (with its headquarter in Paris)" which functions as a network for Chinese democrats overseas. The interview was held at Mr. Zhou's office in Ikebukuro, Tokyo.

Mr. Zhou is a literary man who worked on the publication of "TANSUO" magazine initially issued at the time of "the Spring in Beijing," a prodemocracy movement advanced by China's open and reform policy since 1978. He came to Japan in September 1988 as a student. At the time of the Tiananmen incident, he supported Beijing student movements through his active role in anti-suppression rallies conducted in Japan. He filed an administrative litigation case to the Tokyo District Court on 5 June, calling for a revision of the Justice Ministry's decision to reject his application for political refugee status in Japan.

[YOMIURI SHIMBUN] What do you think about the Japanese Government's China Policy?

[Zhou] A problem lies in the fact that Japan attaches too much importance to economic aspects, and regards China as just a market. As an economic superpower, Japan is supposed to bear political responsibility in Asia. I hope the Japanese Government will take further interest in the Chinese people's fundamental living conditions, and will contribute to improve them.

[YOMIURI SHIMBUN] How many Chinese people in Japan have problems concerning returning to China because of their involvement in prodemocracy movements?

[Zhou] About 40 Chinese people are asking the Japanese Justice Ministry to extend their visas. The Japanese Government does not accept them as political refugees, but just allows extending their visas so that it does not have to force them back to China. Because they are protected by the Japanese Government's present policy without legal authorization, changes can happen anytime.

[YOMIURI SHIMBUN] It appears that the Chinese people's prodemocracy movements are on the wane both inside and outside China.

[Zhou] The Japan chapter of the "FDC" used to have about 150 members, but the number has declined to about 120. The Chinese Government is applying pressure on us, and people in China tend to be hostile to intellectuals who run away overseas. We do not currently have close communications with China. Our family members in China are suffering from various pressures, including wiretapping and censorship.

Saudi Arabia Wants To Buy 50% of Nippon Oil

OW1106232891 Tokyo THE DAILY YOMIURI in English 11 Jun 91 p 11—FOR OFFICIAL USE ONLY

[Text] Saudi Arabia has sounded out Nippon Oil Co. on a plan to buy half of the nation's largest oil company in what is seen as an attempt to make inroads into Japan's lucrative oil retailing market, industry sources said Monday.

Contacted by THE YOMIURI SHIMBUN, Nippon Oil Chairman Yasuoki Takeuchi acknowledged that the Saudi Government has approached the company about the stock purchase "because of its success in oil refining and retailing in the United States."

The 50-percent purchase would cost $4.5 billion, Nippon Oil told the Saudi Government, saying that share prices in Japan are, by international standards, high.

Despite the price, the Saudis are still interested, sources said.

As of May 28, the oil company had issued 1,225,262,000 shares. At current market prices, the stock is worth about Y [yen] 1.26 trillion. Fuji Bank is the largest shareholder.

Recently, the Saudi Government and three Japanese oil companies agreed to study the feasibility of jointly constructing a large oil refinery in Japan.

Nippon Oil is an especially attractive vehicle with which to enter the Japanese market, because Nippon Oil controls nearly 20 percent of the 55,000 gas stations in Japan.

But industry executives said that it would be difficult for Saudi Arabia to aquire 50 percent of Nippon Oil, because the company has about 90,000 stock-holders and because of Japan's restrictions of foreign investment in the oil industry. Relaxation of these restrictions has been proceeding slowly, they said.

Nevertheless, industry executives said that even if the Saudi Government ends up buying only 10 percent of the stock it will be able to exercise tremendous influence over the company as the largest shareholder.

Nippon Oil was reportedly approached about the deal several times over the last six months by Prince Abdulaziz Bin Sallman, an advisor to Saudi Arabian Oil Minister Hisham Nazer. Sallman is believed to be Saudi Arabia's de facto leader on petroleum policy.

Defense Agency Decides Against SDF Role

OW0906112091 Tokyo ASAHI EVENING NEWS in English 8 Jun 91 p 1—FOR OFFICIAL USE ONLY

[Text] The Defense Agency [DA] has decided not to send members of the Self-Defense Forces (SDF) abroad to join a United Nations peacekeeping force or to extend logistical support for such a force.

The agency's plans call for limiting an SDF role in U.N. peacekeeping operations (PKO) to cease-fire monitoring grounds for the time being, officials said Friday.

"The most realistic appoach is to limit SDF participation to unarmed cease-fire monitoring groups," said Yukihiko Ikeda, director-general of the Defense Agency.

Ikeda has ruled out an SDF role in a U.N. peacekeeping force or logistical support for it because the mission is likely to involve the use of military force, agency officials said.

The agency's plans also rule out a change of status for SDF members when they join a proposed Japanese corps to conduct PKO activities or the existing international emergency rescue team.

This is based on a view that organizational SDF participation, as opposed to participation as individuals, is essential, the officials explained.

Under the agency's plans, if a change of status is required for SDF members to join the PKO corps and the international emergency rescue team, the agency will seek to send SDF units abroad for PKO activities and disaster relief apart from these groups by having the SDF Law revised.

The plans outline the positions the Defense Agency will take in intragovernment consultations on the role of the SDF abroad.

Following the dispatch of minesweepers to the Persian Gulf, the view has been growing within the agency that a greater scope of overseas activities for the SDF Law, not through participation in the PKO corps and the international emergency rescue team.

* Looking at Defense Policy in Era of Change

912B0117A Tokyo KANKAI in Japanese Mar 91 pp 84-93—FOR OFFICIAL USE ONLY

[Article by KYODO political section reporter, Toshiyuki Saga]

[Text] **Security Treaty Conditions Become Fluid**

International conditions surrounding security have attained a fluidity never before seen in history. The invasion of Kuwait by the Iraqi armed forces in August of last year occurred suddenly against a background of lessening power of the two giants, America and the Soviet Union. This gives the impression that local disputes and the North-South problem have arisen as the urgent subjects of security hereafter. In particular, before dawn on 17 January (Iraq time), the multinational forces, under the auspices of the United Nations Security Council decision, launched an air attack which made free use of state-of-the-art electronic warfare technology. By pressing for a withdrawal of Iraqi troops by means of military force, the Gulf war is an event which should be given special note in the annals of the security. Through confronting the problems of dispatching of self-defense forces' transport plans and financial and political support for the multinational forces, it goes without saying that the Gulf war became an opportunity for the basic reconsideration of what Japan's political policy toward the security should be.

However, it can also be said that the Gulf war is only one manifestation of the fluidity of international conditions. The substantive change in recent security conditions is centered in the path of perestroyka being pursued by the Soviet Union. The "new thought diplomacy" of the Gorbachev administration has advanced not only reduction in nuclear forces between the Soviets and the Reagan-Bush administrations, but by relinquishing the limited sovereignty theory, has approved of the democratization of eastern Europe and has without a doubt contributed greatly to the demise of the East/West Cold War through changing in essence the Warsaw Pact structure.

However, the Soviet Union is confronting the danger of its republic disintegrating by becoming mired in economic confusion and through the ethnic problems of such as the three Baltic countries. The military intervention in Lithuania and Latvia in the middle of January which gambled the maintenance of the republic and the rising to power of the military and ebbing of the reform faction which lies behind that intervention has cast a shadow over the support of Western nations for the Soviet Union and over the road of conciliation which had just become firmly fixed between the United States and the Soviet Union. It is unavoidable that this development will cause apprehension among neighboring European countries, China, and Japan.

In response to these kinds of international conditions, the Japanese Government has adopted the stance of keeping their eyes on both the relaxation in tensions and on the unstable conditions. "Movement toward a new structure of international order can be seen, but international society, the same as ever, still contains factors of instability." (Cabinet decision of 19 December 1990 "Concerning the Basic Thinking for the Self-Defense Plan from 1991 Onward"). That also appeared directly in the Next Term Self-Defense Capability Reorganization Plan decided on by the cabinet at the end of last year. (Next Term Defense Plan for 1991 to 1996.) However, this does not mean that there is an unwavering recognition of conditions. Conversely, it is a fact that the national policy of Japan, not to mention important political decisions, are being put off.

In recent years, expectations are increasing both at home and abroad that Japan will not only play an economic role but that it should assume a political role and the responsibility engendered therein. However, it cannot be said that the will of the government concerning what line of action Japan should take has been clarified. As a result, Japan has taken the course of action of continuing to increase its defense expenditures. This runs opposite to the general trend in European countries and the United States and has resulted in the smoldering of apprehension concerning Japan among Asian nations. None of this is unrelated to the government's stance.

In the midst of changing world security conditions, what direction is the self-defense policy of Japan taking? I would like to consider this in light of the Next Term Defense Plan.

Cognizance of International Conditions by Next Term Defense Plan

During consideration of the Next Term Defense Plan at the government's security meeting which began on 19 June of last year, the subject which became the center of discussion was handling of the "general rules for the defense plan." (Cabinet decision of 29 October 1976) Each of the opposition parties, the Socialists, Komeito, the Communists, and so on have demanded revision of the general rules because "they were set up under Cold War-age thinking."

In response to this, at a Diet meeting, even while repeating the answer compiled by the Defense Agency that "also the handling of the general rules will be considered at the security meeting," Prime Minister Kaifu, who was concealing the desire to rethink the general rules, directed permanent Vice Minister of Defense Yoda and his associates to "develop a defense policy taking into consideration relaxation of tensions." This was done based on the impressions he received directly concerning the consciousness of the leaders of each country concerning East-West relations as expressed at the summit of the leaders of the industrially advanced nations held in July (Houston summit) and on the changes in the stance of the Soviets.

Further, concerning the theory of the Soviet menace, upon which the Japanese defense policy has been based up until now, in the 1990 defense white paper, in the face of the impending visit by Gorbachev, not only was the expression "the latent menace" deleted for the first time in 10 years, but also the white paper noted the fact of the quantitative reduction in military strength of Soviet forces in the Far East. Although it could be said that this was nothing more than confirmation of the U.S. Defense Department's report that "recognition of the Soviet menace is not as strong as it was during the 1970's and 1980's," the fact is that the Defense Agency in its own way modified its consciousness of conditions.

However, the Defense Agency resisted with all its might rethinking of the general rules. I shall explain in detail the reason for that later. They did this because they feared that the basis of national defense would be shaken and the reverberations from this would extend all the way to the reliability of the Japan-U.S. joint security system if a drastic rethinking were to take place at this time. As a result, the general rules will be held onto tightly, but a statement entitled "Concerning the Basic Thinking for Defense Planning From 1991 Onward," in which a new consciousness of conditions was included, was decided on at a cabinet meeting the day before the Next Term Defense Plan decision was made. In other words, by means of a compromise, the problem of rethinking has been put off.

The consciousness of conditions included in this statement reflect well the "transitional period plan" character of the Next Term Defense Plan. For example, concerning East-West relations, it stated that "we are moving toward the age of dialogue and conciliation" and that "we are groping toward a framework for a new security in Europe." Even while admitting directly this underlying tone of detente, it stated that overall international conditions "include such unstable factors as localized disputes resulting from confrontations based on religion or ethnic problems, territorial problems, nationalism and so on." It emphasized that a period of instability will continue into the immediate future.

In particular, it stated the following for conditions in Asia and the Pacific. (1) Although conditions, when compared to those in Europe, will be more complicated, an aggressive movement toward relaxation of tensions can be seen. (2) Although conditions on the Korean peninsula are fluid, there are new movements such as the establishing of diplomatic relations between Korea and Russia. (3) Although qualitative improvement in Soviet forces in the Far East continues, a tendency toward a quantitative reduction can be seen. While taking pains with the rhetoric, the white paper repeated the double-edged argument of detente and instability.

In conclusion, this white paper ties up all the loose ends with a self-promoting advocacy of the general rules by saying, "In general the trend toward stabilized international relations which was a premise at the time the general rules were established is gradually appearing in a more advanced form." It is needless to say that this white paper can in no way become a recognition of conditions which can make us throw out our chests or be, as chief cabinet secretary Ishihara said, "Something which is in fact a substitute for the general rules."

However, it is a fact that there has been somewhat of a change in the consciousness of the Defense Agency after they became aware of the change in the state of affairs in the Soviet Union. Defense Director Hatakeyama visited the U.S. in mid-January of this year and met with leaders at the Pentagon. He agreed with the recognition that "the destabilization of the Soviet Union is something unseen previously and is the material for new worries." This is a manifestation of the feeling to firm up once again the cautionary feelings toward Russia which had for a time relaxed.

Reason for Defending General Rules to the Bitter End

Several reasons can be given for the Defense Agency holding tenaciously to the general rules. What they have explained at the Diet and at other public places is that "the general rules were decided upon at the time of detente between the United States and the Soviet Union and that they decided the basic defense capacity for defending Japan in times of peace. It might also be said that they anticipated the present international conditions. Therefore, it is not necessary to alter the fundamentals of the general rules." However, even among the leaders, "the thinking of basic defense capacity" itself is of the same nature as the self-protective defense and rational sufficiency thinking prevalent in Europe and should not be changed. However, it is only natural that the separate chart which shows the consciousness of affairs or the concrete defense preparedness, the level of defense capacity reorganization can be modified to match subjective conditions.

However, if rethinking of only the area of recognition of circumstances were to be carried out, it is anticipated that this would lead to revision of the separate chart. Originally in the standards of the separate chart there is no rational foundation based on the estimated threat. When it comes to deciding on a new reorganization standard in a short period of time, it is plain that things will get out of hand.

If we were, as the opposition parties are insisting, to freeze our war-making potential at the present level or to reduce it, we would fall behind the advances in military technology and the fear that this would lead to a drop in the morale of the Self-Defense Forces would appear. As a matter of fact, the dissatisfaction of the leaders of the Ground Self-Defense Forces toward not raising the recruiting ratio for Self-Defense Forces for the time being as is given in the Next Term Defense Plan was running quite high.

Likewise, the United States Government, which is demanding that we strengthen our sea-lane defenses and our support of U.S. forces stationed in Japan and that we purchase equipment from them, would not be expected to welcome a reduction in the military forces of Japan. If a policy of downward revision of the general rules were to be put forward at this time when the Gulf war has become involved, the reliability of the Japan-U.S. joint security structure would be shaken.

It is also anticipated that rethinking of the general rules will receive jolts from other directions such as the autonomous national defense controversy. This is so because the assertion that the target set for self-defense capability should be raised remains deep-rooted among the uniformed old boys when they consider the existence of the Far East Soviet forces which continue to have just as before an enormous war-making potential and the planned phased reduction of Far East U.S. Forces.

If we think about these circumstances, it can be said without a doubt that putting off the problem of rethinking the general rules is a more-than-natural conclusion.

Defense Plan During a Transitional Period

(1) Course of Policy Decisions

I would like to review simply the history of policy decisions leading up to the "Medium Term Defense Capability Reorganization Plan" (1990 to 1995), or the so-called Next Term Defense Capability Reorganization Plan decided on by the cabinet on 20 December of last year.

In December of 1988, the security council of the government (headed by the prime minister and formerly called the national defense council) decided on a policy which says that a medium term defense policy is necessary after the present medium term plan (fiscal 1986 through fiscal 1990, total amount of 18 trillion 400 billion yen) ends. In response to this, the "defense capability review committee" of the defense agency proceeded with the work of drafting a proposal. This work focused first on deciding what kind of basic policy to establish under the assumption that the reorganization level set forth by the general rules of the defense plan would be nearly achieved by 1990, the last year of the medium term defense plan, and second on how to reflect in the plan the movement toward detente between the United States and the Soviet Union as demonstrated by the reduction in nuclear arms.

The defense agency has judged that it will not be possible to hope for a plan like the medium term defense plan which allowed for repletion of front line equipment at the high place of an average increase of 5.4 percent (real increase). Over the five year period, about 23.4 trillion yen will be spent. This represents an average of just under 4 percent. The policy was formulated from the standpoint of defense and includes (1) enhancing the quality rather than increasing quantitatively, (2) strengthening rear line support departments rather than front line equipment, and (3) perfecting the policy concerning Self-Defense Force members.

However, the detente mood among the populace far exceeds that foreseen by the defense agency. And this is not limited to the opposition parties. Even from within the Liberal Democratic Party, the opinion that a decision on the next term defense plan should be put off has been expressed by such people as former Deputy Prime Minister Kanemaru. In addition, former Minister of Finance Miyazawa advocated a three-year plan which would allow flexible response to conditions.

On the other hand, the United States Government, with the strong backing of the Congress, is demanding that we bear the full financial burden for American troops stationed in Japan and introduce the American-made airborne warning and control system planes (AWACS) and mid-air refueling planes. Tough responses are being demanded of the Defense Agency both on the home front and from abroad.

And finally what has decided the direction of the next term defense plan debate is the assertion of Finance Minister Hashimoto that "the next term defense plan is approaching a turning point." This agrees with the idea of Prime Minister Kaifu, who ordered "a plan which will gain the understanding of the populace." As a result, the next term defense plan decided on on 20 December was the lowest ever among past defense plans. The decision was reached at 22.75 trillion yen, or an average of 3 percent.

(2) Analysis of the Next Term Defense Plan

Well, then, while pointing out the distinctive parts of the next term defense plan, I would like to analyze how the Japanese defense policy is trying to respond to an age of change.

First, let's consider the meaning of a real rate of growth of 3 percent. During the 1991 fiscal year, the United States is planning to reduce its national defense costs by 8 percent and the Soviet Union during 1990 and 1991 is planning to reduce theirs by 14 percent (this does not include coastal defense costs). In addition, each of the countries of Europe is heading toward military reductions. In the midst of this, it can in no way be said that an increase of 3 percent is a low rate of growth. When looking at defense costs during fiscal 1990, Japan fell in the third group following the United States and the Soviet Union and this means that we shall definitely surpass England, France, and Germany. At this rate, not only will wiping away the apprehension of Asian countries that Japan is "becoming a military giant" be impossible, but there is a danger that we will be amplifying that apprehension even more.

The defense agency explains that (1) the military costs involved in the American-Russian confrontation in Europe were at a higher level; (2) the ratio of salaries and wages in Japan is higher; (3) due to the policy of forbidding import of arms, arms produced domestically are comparatively expensive; and (4) that the growth rate is about 2.6 percent if the new burden of stationing costs is left out. However, "if we do not update military capabilities on a planned basis, we shall be unable to respond to emergencies. To maintain our defense posture and achieve qualitative improvement in equipment technology, a certain increase in the budget is unavoidable," (leaders of the same agency). This seems to be their true motive.

Next, how should we evaluate the fact that frontline equipment is being put on check? The contractual amount on the surface for five years is 5 trillion yen (average rate of growth of minus 2.3 percent). When compared to the 5.53 trillion yen of the medium term defense plan (average growth of 7.7 percent), this is without a doubt a reduced amount. (However, if the burden placed on following years is left out, on the basis of a 5-year budget, the average growth rate is a 2.1 percent increase.) Comparing the amounts procured during the medium term defense plan with those planned for during the planned term, the number of tanks has decreased from 246 to 132 and the number of F-15 fighters from 63 to 42. And it is planned to reduce the total number of destroyers by the time the plan is completed from 62 to 58. Accompanying this, the "putting off payment," amount, that allotment to future years which has a bad reputation, has become the relatively slim 1.99 trillion yen. (During the medium term defense plan this was 2.55 trillion yen).

This is the part which the Defense Agency is appealing to the maximum as "a manifestation of the consideration given to the relaxation in tensions." However, when we think that it is in the process of switching over from the old type of tank to the new, 1990 model or in the tendency for the endurance life of recent fighter planes or destroyers to be longer, front line fighting capability itself will not decrease. Rather it would be correct to say that qualitative strengthening will proceed thanks to renewing and modernizing.

Representative examples of this are AWACS (4 planes for a total of about 1.2 billion yen) and Aegis destroyers (2 vessels for a total of about 2.45 billion yen). Even in the Gulf war, the AWACS made an appearance in the bombing strategy as "sky-flying command towers." While grasping war conditions over a broad area by means of the radar in the body of the plane, they play the role of giving instructions to the fighter bomber corps. This is the plane which will take the place of the early

Foreign
Broadcast
Information
Service
50
ANNIVERSARY
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12 June 1991

XVI

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FBIS-EAS-91-113

CONTENTS

12 June 1991

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

NORTHEAST ASIA

Japan

'Japan: 2000' Report Warns of 'Conspiracy' *[KYODO]* 1
Report Criticizes 'Unfair' Trade Practices *[KYODO]* 1
New U.S. Chip Pact Formally Signed *[KYODO]* 2
Kaifu-Bush Session Before G-7 Summit Agreed *[KYODO]* 3
North Korean Nuclear Issues Meeting Denied *[KYODO]* 3
Toyota President Dismisses U.S. Dumping Charge *[KYODO]* 4
Advisory Group Comments on Trade, Rice Issues *[KYODO]* 4
Agricultural Groups Oppose Opening Rice Market *[KYODO]* 4
Red Army Denies Involvement in Naples Bombing *[KYODO]* 4
Analysts Predict Investment in PRC's Guangdong *[KYODO]* 5
South Korea Agrees To Open New Shipping Routes *[KYODO]* 6
Burma To Receive 3 Billion-Yen Grant *[KYODO]* 6
Tokyo Pledges Yen Credits to Indonesia *[KYODO]* 6
Bank Governor on 'Excessive' Dollar Appreciation *[KYODO]* 7
Keidanren Urges Internationalization of Yen *[KYODO]* 7
SDP Reform Panel Accepts U.S. Security Treaty *[KYODO]* 7
    SDF 'Virtually' Accepted *[KYODO]* 8
SDPJ Official Comments on SDF, Reform *[Tokyo TV]* 8
Improper Installation Causes Reactor Accident *[Tokyo TV]* 9
Demand for Energy 'Growing Too Quickly' *[KYODO]* 9

Mongolia

President Ochirbat Meets With Japanese Officials *[KYODO]* 10
Japanese Parliamentarian Promises Aid *[KYODO]* 10

North Korea

Envoy: U.S. Must Rid South of Nuclear Weapons *[KYODO]* 10
Removal of Nuclear Weapons From South Urged *[KCNA]* 11
Nonproliferation Treaty Explained to Listeners *[Pyongyang Radio]* 12
NODONG SINMUN Views Decision To Join UN *[KCNA]* 12
Southerners Urged To Struggle for Democracy *[Pyongyang Radio]* 13
Vice Premier Kim Tal-hyon Arrives in Manila *[Pyongyang Radio]* 15
    Meets With Philippines President *[Pyongyang Radio]* 15
    Reunification Issue Discussed *[KCNA]* 15
Tanzanian Delegation Arrives in Pyongyang 11 Jun *[KCNA]* 15
    Attends WPK Committee Reception *[KCNA]* 15
Dismantlement of U.S. Base on Libya Day Noted *[KCNA]* 16
Memorial Service for Father of Kim Il-song Held *[Pyongyang Radio]* 16
Anti-Japanese Independence Movement Commemorated *[KCNA]* 17
'New Materials' on Korean War Battles Found *[KCNA]* 17
Chuche Said Needed for Building Socialism *[KCNA]* 18
Daily Says Socialism Based on Great Politics *[KCNA]* 19
KCNA Review of 12 Jun Pyongyang Press 20

XXII

South Korea

- North Reportedly Walks Out on IAEA Meeting *[CHOSON ILBO 11 Jun]* ... 21
- Envoy Urges 'Simultaneous' Nuclear Inspection *[YONHAP]* ... 21
- North UN Official on Acceptance of Inspection *[HANGUK ILBO 12 Jun]* ... 21
- * Joint Check of Korean Nuclear Facilities Urged *[MAL 1 Mar]* ... 22
- Officials Suspicious of Pyongyang Nuclear Pledge *[AFP]* ... 27
- North's Plan To Sign IAEA Accord Viewed *[THE KOREA TIMES 12 Jun]* ... 28
- North Hopes To 'Discuss' UN Issue With South *[HANGUK ILBO 11 Jun]* ... 28
- No Plans Keynote Speech at UN General Assembly *[YONHAP]* ... 28
- Olympics Official Visits Pyongyang, Seoul *[YONHAP]* ... 29
- Firm To Export Communication Equipment to USSR *[THE KOREA ECONOMIC JOURNAL 27 May]* ... 29
- Firms, Soviets 'Dispute' Over Export Terms *[YONHAP]* ... 29
- USSR Rejects Prices on Petrochemical Goods *[YONHAP]* ... 30
- Companies Ship $156 Million in Goods to USSR *[THE KOREA TIMES 12 Jun]* ... 30
- Lotte Plans To Exhibit Korean Goods in USSR *[THE KOREA TIMES 12 Jun]* ... 30
- Academic Conference With USSR Opens in Seoul *[YONHAP]* ... 30
- Resource Development Seminar Held With USSR *[YONHAP]* ... 31
- France, USSR To Help Launch Satellites *[THE KOREA ECONOMIC JOURNAL 10 Jun]* ... 31
- Danish Prime Minister Arrives in Seoul 11 Jun *[YONHAP]* ... 32
  - Meets With No Tae-u 12 Jun *[YONHAP]* ... 32
  - Gives Speech at Banquet 12 Jun *[YONHAP]* ... 32
- Press Exchange Accord Signed With ROMPRES *[YONHAP]* ... 33
- Small, Medium Companies Advance Into Mongolia *[THE KOREA ECONOMIC JOURNAL 27 May]* ... 33
- Police, Students Clash at Student's Funeral *[AFP]* ... 33
- Steps Against Illegal Electioneering Outlined *[YONHAP]* ... 34
- NDP Lawmaker Questioned on Election Law Breach *[YONHAP]* ... 34
- Democratic Party Leader Urges End of 'Era' *[THE KOREA TIMES 12 Jun]* ... 34
- Government To Open Distribution Market Further *[YONHAP]* ... 35
- Finance Minister Sees More Flexible Policy *[THE KOREA HERALD 31 May]* ... 35
- Power Company Plans To Boost Electricity Output *[YONHAP]* ... 35
- Assessed Value of State-Owned Property Rises *[YONHAP]* ... 36

SOUTHEAST ASIA

Burma

- 4 NLD Members Arrested for Contact With Rebels *[Rangoon Radio]* ... 37
- Delhi Burmese Program on 'Political Changes' *[Delhi International]* ... 37

Brunei, Malaysia & Singapore

Malaysia

- Labor Minister Calls U.S. Petition Baseless *[BERNAMA]* ... 37
- Commentary Criticizes U.S. Labor Groups *[Kuala Lumpur International]* ... 38
- Representative Criticizes UNDP's Report *[BERNAMA]* ... 38
- TV Begins Program on Australia's 'Racism' *[NEW STRAITS TIMES 10 Jun]* ... 39
- Sudanese Head of State al-Bashir Begins Visit *[Khartoum SUNA]* ... 39
  - Commentary on Military Officer Training *[BERNAMA]* ... 39
  - Concludes Visit *[Kuala Lumpur Radio]* ... 40
- Commentary Hails Enhancement of Ties With Sudan *[Kuala Lumpur International]* ... 40
- Commentary Lauds PRC, Urges Japan's Support *[Kuala Lumpur International]* ... 41
- Increasing Cooperation With PRC Discussed *[BERNAMA]* ... 41
- Sabah Party Leaders Not To Dissolve Party *[NEW SUNDAY TIMES 9 Jun]* ... 41
- Former PBS Leader Ready To Name Secessionists *[NEW STRAITS TIMES 10 Jun]* ... 42

Singapore

Premier Says More Malays May Enter Military *[THE STRAITS TIMES 11 Jun]* ... 42

Cambodia

SPK: Chea Sim Continues Visit to France ... 43
PRACHEACHON Hails Prospects for Peace *[Phnom Penh Radio]* ... 43
SPK Reports Cease-Fire Violations 4-9 Jun ... 44
New Airline Flies Phnom Penh-Singapore Route *[SPK]* ... 45
Reduced Amount of Paddy Bought Nationwide *[Phnom Penh Radio]* ... 45
Sihanouk Office Says SNC To Meet on 24 Jun *[Radio VOK]* ... 45
Commentary on Dismantling of All Forces *[Radio VODK]* ... 45
VONADK: Position in Koh Kong Attacked ... 46

Indonesia

Trade Minister Speaks on Outcome of Talks *[ANTARA]* ... 46
TEMPO Interviews Sudomo on Travel Ban *[18 May]* ... 46
Joint Malaysian Border Scrutiny Meeting Opens *[Jakarta Radio]* ... 48
    Official Remarks on Results *[Jakarta Radio]* ... 48

Laos

Phoun Sipaseut Receives New PRC Ambassador *[KPL]* ... 48
Polish Foreign Minister Sends Message *[Vientiane Radio]* ... 48
Envoy to Bulgaria Ends Diplomatic Mission *[Vientiane Radio]* ... 49

Philippines

Senator Asks U.S. To Aid in Modernization *[THE CHRONICLE 12 Jun]* ... 49
Groups Hold Rally in Front of U.S. Embassy *[Manila Radio]* ... 49
North Korean Delegation Seeks Recognition *[THE CHRONICLE 12 Jun]* ... 49
Navy To Modernize; PRC Possible Supplier *[BUSINESS WORLD 12 Jun]* ... 50
Aquino Addresses Independence Day Celebration *[Quezon City Radio]* ... 50
Fidel Ramos Says Civilian Can Replace Him *[THE CHRONICLE 12 Jun]* ... 51
Media Protest News Restrictions on Bases Issue *[PHILIPPINES NEWSDAY 12 Jun]* ... 52
Views on Nation's Problems on Independence Day *[PHILIPPINE DAILY INQUIRER 12 Jun]* ... 52

Thailand

Reportage on PRC President, Delegation's Visit ... 53
    Anan Meets Yang Shangkun *[Bangkok TV]* ... 53
    King Addresses Banquet *[Bangkok TV]* ... 53
    Anan, Yang Speeches Reported *[Bangkok Radio]* ... 54
    Asa Meets PRC Foreign Minister *[Bangkok Radio]* ... 54
    Qian Qichen on Cambodian Peace *[AFP]* ... 55
    PRC Deputy Justice Minister Arrives *[ZHONG HUA RIBAO 6 Jun]* ... 55
    PLA's Xu Xin Calls on Suchinda *[Bangkok TV]* ... 55
Foreign Minister on Cambodia SNC Talks *[Bangkok Radio]* ... 55
Envoy to SRV on Trade, Investment Opportunities *[Radio VOFA]* ... 56
Ongoing Reportage on Vietnamese Pirates ... 56
    Official on Crackdown *[THE NATION 10 Jun]* ... 56
    Vietnam Stops Releasing Trawlers *[THE NATION 11 Jun]* ... 57
    Navy Seizes 'Pirate' Boat *[BANGKOK POST 9 Jun]* ... 57
Burmese Refugee Aid Cut Linked to Activities *[THE NATION 8 Jun]* ... 58
Laos To Receive Increased Aid *[THE NATION 12 Jun]* ... 58
Official Details Guarantees in New Constitution *[BANGKOK POST 11 Jun]* ... 59
Students Criticize National Peacekeeping Council *[BANGKOK POST 10 Jun]* ... 59
    Army Chief Promises Election *[THE NATION 11 Jun]* ... 60
Minister on Economy, Military-Civil Conflict *[THAI RAT 10 Jun]* ... 60

Solidarity Party Elects Bunchu Rotchanasathian *[Bangkok TV]* ... 61
Montri Phongphanit: Social Action Party Leader *[Bangkok Radio]* ... 61
Team Says Banhan, Sano 'Unusually Wealthy' *[BANGKOK POST 9 Jun]* ... 61

Vietnam

CPV Chief Lauds Efforts for Cambodian Peace *[KYODO]* ... 62
Daily: Do Muoi Agrees To Visit Japan *[KYODO]* ... 63
USSR Gas, Oil Joint Venture Increases Output *[Hanoi TV]* ... 63
New Joint Soviet Labor Cooperation Planned *[Hanoi Radio]* ... 63
Laos Economic Delegation Calls on Do Muoi *[KPL]* ... 63
Defense Issues in Party Congress Draft Documents *[Hanoi Radio]* ... 63
Hanoi News Conference on Seventh Party Congress *[Hanoi Radio]* ... 64
City TV Prepares To Cover Party Congress *[Hanoi Radio]* ... 64
Party Committee Holds Conference With Editors *[Hanoi Radio]* ... 64
Reportage on Nguyen Quyet Attending Conferences ... 64
    Army Progressive Model Conference *[Hanoi Radio]* ... 64
    Conference of Army Emulators *[Hanoi TV]* ... 66
    Political Department Conference *[Hanoi Radio]* ... 66
Documents Signed on UNDP-Sponsored Project *[VNA]* ... 67
Ministry on Population Growth, Unemployment *[VNA]* ... 67
Party Journal Views Recent World Events *[TAP CHI CONG SAN Apr]* ... 67
Article on Vietnam's Socialist 'Renovation' *[TAP CHI QUOC PHONG TOAN DAN Apr]* ... 69

AUSTRALASIA

Australia

New Treasurer Boosts Financial Markets *[AFP]* ... 72

Fiji

Government Rejects Rabuka Call To Resign *[AFP]* ... 72
    Demonstration of Support *[AFP]* ... 73
Rabuka Apologizes for Resignation Call *[AFP]* ... 73

New Zealand

Lifting of South African Sanctions Welcomed [AFP] ... 73

Japan

'Japan: 2000' Report Warns of 'Conspiracy'

OW1206081191 Tokyo KYODO in English 0521 GMT 12 Jun 91

[By Shiro Yoneyama]

[Text] Washington, June 11 (KYODO)—A study commissioned by the United States Central Intelligence Agency (CIA) has depicted Japan as a country which is threatening "our country and way of life."

The still unpublished report has already caused an uproar in Washington, and at least two of 10 discussants mentioned in the document have asked the CIA and the Rochester Institute of Technology (RIT) that they be disassociated from it.

The main theme of the report, which runs to some 200 pages, is a fairly familiar one—Japan's alleged conspiracy to dominate the world.

This conspiracy theory has gained currency notably since the ending of the cold war, which according to public opinion polls has reduced the Soviet military threat to a level below that of a perceived threat inherent in Japan's economic strength.

A copy of the draft report was made available to KYODO NEWS SERVICE on Tuesday.

"Given the situation in the U.S. today, our economy will certainly be overwhelmed by theirs," said the report entitled "Japan: 2000." "This will spell disaster for the American standard of living for our children—indeed for ourselves if the pace of Japanese ascendancy continues unabated."

The CIA has funded the report but has not sanctioned it, and a spokesman said it is not known when a final version of the document will be ready.

Throughout the report, Andrew Dougherty, executive assistant to the president of RIT and vice president of RIT Research Corp., portrays Japan as a country which does not share so-called Western values.

"Failure to understand the role of power in the Japanese paradigm places Westerners at a serious, and possibly fatal disadvantage," the report cautioned.

The report also said, "Their economic power is based on a shared national vision for world economic domination. Japan has become a world economic superpower because of its ability to exert extraordinary control over its own destiny."

THE DEMOCRATIC AND CHRONICLE newspaper of Rochester ran the first report on the CIA-funded document, and THE INTERNATIONAL HERALD TRIBUNE, which followed up on the story, added that Robert McFarlane, national security adviser under President Ronald Reagan had asked that his name be withdrawn from the CIA report.

Jeffrey Garten, a former managing director of Shearson Lehman Brothers both in Tokyo and New York, said in response to an inquiry from KYODO, "I never participated in writing a report, I never saw a report, I never approved one."

He said he has written to the director of the CIA telling him that he totally disassociated himself from the report.

In his letter, Garten said, "I am not embarassed by anything I might have said, for I reflected the same thoughts that I have been speaking and writing about for years. But I never saw a report, never endorsed one, and I strongly object to your allowing something to be made public with the inference that I approve of the contents, especially the use of words about Japan as mentioned above.

"It won't take much for you to realize the damage you have done to professional careers with your disclosures, nor to Japanese sensitivities," he said.

He asked the CIA and RIT to ban any release of the report "in any form" and to drop his name from the report "immediately."

A Japan expert with a private think tank said after reading the CIA report that it was "amateurish" and "high school level."

Other discussants mentioned in the report included Roy Amara of the Institute for the Future in California, Princeton University Professor Kent Calder and University of California (San Diego) Professor Chalmers Johnson, sometimes dubbed the "godfather" of the so-called "revisionist" commentators on U.S.-Japan relations.

To some extent, the report is reminiscent of the books and articles of Johnson and other "revisionist" commentators as well as those by conservative Japanese politician Shintaro Ishihara, who is known here as the author of the book, "A Japan That Can Say No."

"Without the economic power to maintain worldwide dominance, Japan would turn to other countries (perhaps the Soviet Union or the Unified Germany) as a source of protection from a hostile world," the report said.

The report concluded with the sntence, "Japan: 2000 should provide notice that 'the rising sun' is coming—the attack has begun."

Report Criticizes 'Unfair' Trade Practices

OW1206132391 Tokyo KYODO in English 1124 GMT 12 Jun 91

[Text] Tokyo, June 12 KYODO—Japan hit out at its trading partners on Wednesday with a semigovernmental report criticizing what it describes as their unfair trading practices.

The report, released by a nonprofit organization affiliated with the Ministry of International Trade and Industry (MITI), claims the United States and the European Community are mobilizing numerous measures that discriminate against Japanese imports.

The report, compiled by the Fair Trade Center, points out that the U.S., for instance, is engaged in unilateral actions associated with Section 301 of the 1974 Trade Act, and related provisions—"Super 301" Clause, the "Special 301" Clause, the Telecommunications Provisions of the 1988 Trade Act, and the Sanctions Provisions of the Federal American Act.

By threatening trade sanctions provided for in the acts, Washington often tries to force its trading partners to accept its own demands, a course of action clearly violating the principles of the General Agreement on Tariffs and Trade (GATT), the report says.

"These unilateral measures have significantly undermined multilateral efforts to resolve disputes and to conclude new trade liberalizing agreements," it argues.

"U.S. trade policies and practices have departed from GATT rules with increasing frequency in recent years," the report contends.

It also cited as unfair U.S. practices its "first-to-invent" principle in granting patents, the antidumping law, the customs classification system, discriminatory tax treatment, unfair government procurements, and several other examples.

The report also pulls no punches with the EC in particular. It stresses that the EC's method of enforcing antidumping measures constitutes the principal unfair barrier to Japanese exports.

For example, the EC has often initiated antidumping investigations even when no prima facie case of dumping and injury has been established, the report says.

"In recent years, EC antidumping measures have grown increasingly trade restrictive," it says.

The report also points to quantitative restrictions, the arbitrary manipulation of rules of origin, and discriminatory standards as examples of unfair EC practices.

The EC member states currently impose discriminatory quantitative restrictions against 62 Japanese products and such restrictions are prohibited by GATT articles, it notes.

The report, however, gives high marks to Canada, recognizing "Canada has only a relatively small number of trade policies and practices that impede trade with Japan."

The organization submitted the report to Minister of International Trade and Industry Eiichi Nakao and urged him to use it as a weapon in fighting back against U.S. and EC attacks on Tokyo in trade negotiations.

New U.S. Chip Pact Formally Signed

OW1206011191 Tokyo KYODO in English 2320 GMT 11 Jun 91

[Text] Washington, June 11 (KYODO)—Japan and the United States on Tuesday formally signed a new bilateral semiconductor agreement which sets as a target a 20 percent foreign share in the Japanese chip market by the end of 1992.

The two sides reached tentative agreement on the new pact last week during a high-level meeting in Washington.

The new five-year accord will replace the current agreement, concluded in 1986, when it expires at the end of July.

When the new agreement comes into effect, the U.S. is to lift what remains of the punitive tariffs imposed on Japanese electronics in 1987 in retaliation for Japan's alleged failure to meet the terms of the old pact.

The new pact does not commit Japan to any guarantee concerning the foreign share in the Japanese market, but U.S. chipmakers claim the 20 percent figure included in it should be taken seriously by Tokyo.

The new agreement says Japan "recognizes that the U.S. semiconductor industry expects that the foreign market share will grow to more than 20 percent of the Japanese market by the end of 1992 and considers that this can be realized."

But it adds that the statement constitutes "neither a guarantee, a ceiling nor a floor on the foreign market share."

The two countries failed to agree on a unified formula for calculating the foreign share in the Japanese market and decided to specify two different calculation approaches.

As for antidumping measures, the agreement says that if Washington initiates antidumping actions against a Japanese maker, Japan will encourage the maker to provide data concerning the costs of its products within 14 days.

Under the agreement, the two governments will also call on their chip exporters to provide such data if a third country requests the information in connection with antidumping proceedings.

In order to evaluate progress under the new chip trade framework and tackle any problems that may arise, Japan and the U.S. will hold "regular government-to-government semiconductor consultations" three times a year, and emergency consultations if either side thinks it necessary.

The agreement is to come into effect on August 1 this year, and will hold for five years.

At the end of the third year, the two sides will review the agreement and jointly decide whether it should be scrapped upon its expiration on July 31, 1996.

In a separate joint announcement, released the same day, Japan vowed to take several concrete administrative measures to boost foreign market share.

The steps spelled out include naming contact persons or "windows," establishing a committee for the enhancement of market access opportunities, and providing foreign producers with information on semiconductors being used or likely to be used in the near future.

Japan also pledged to establish "standardized and transparent" qualification procedures to be applied equally to all semiconductor vendors and to list foreign semiconductors that could potentially substitute for domestic products.

The signing of the new chip pact took place between U.S. Trade Representative Carla Hills and Japanese Ambassador Ryohei Murata in a simple ceremony.

"The agreement is a good, business-like agreement, both from the point of the Japanese, and proper that it should care about quality, and good from the point of view of the Americans that we should look for market access," she said at the signing ceremony.

As U.S. industry representatives watched, Hills and Murata signed the new five-year accord which will go into effect on August 1.

"It is a happy circumstance that our businesses work together," President George Bush's chief trade negotiator said.

Ambassador Murata said, "I was very impressed by the constructive spirit and dedication" of both Japanese and U.S. trade officials.

"A lot of problems and tasks remain, so let us work together for better relations between the two countries," he said at the ceremony.

Under the new agreement, the two countries anticipate a foreign share of at least 20 percent in the Japanese market by the end of 1992.

The new chip agreement also calls for the promotion of "design- ins" and long-term relationships between the Japanese and U.S. industries.

Kaifu-Bush Session Before G-7 Summit Agreed

OW1206011591 Tokyo KYODO in English 2337 GMT 11 Jun 91

[Text] Washington, June 11 (KYODO)—Japan and the United States have formally agreed to hold a top-level meeting just before an annual seven-nation economic summit in London in mid-July, a senior Japanese diplomat said Tuesday.

He said the agreement for Prime Minister Toshiki Kaifu and President George Bush to meet was reached between Japanese Ambassador Ryohei Murata and Bush's National Security Adviser Brent Scowcroft.

The diplomat predicted the session will focus on economic aid to the Soviet Union, Uruguay Round of Multinational Trade Talks, and other international issues.

Developments on the Korean peninsula, Cambodia, and China are also expected to be covered during the London meeting.

Kaifu last met with Bush in California on April 4.

North Korean Nuclear Issues Meeting Denied

OW1206125091 Tokyo KYODO in English 1158 GMT 12 Jun 91

[Text] Tokyo, June 12 KYODO—Japan, the United States, and South Korea will hold a tripartite meeting to discuss international inspections of North Korea's nuclear facilities, U.S. Ambassador to Japan Michael Armacost said Wednesday.

Armacost, who spoke to reporters after delivering an address on the state of U.S.-Japan relations, was confirming a Japanese newspaper report about the meeting.

"I believe there will be (a meeting), yes," Armacost said.

But Japanese Foreign Ministry officials denied that a meeting is planned for the express purpose of addressing the North Korean nuclear issue.

They said the U.S. envoy was most likely referring to the holding of tripartite policy consultations on issues confronting the Asia-Pacific region, an idea initially agreed to by Japan and South Korea during ministerial talks last April in Tokyo.

Officials of the three countries have yet to set a date for the meeting, to be held because they are concerned that North Korea may be striving for a nuclear weapons capability. However, Armacost indicated it could be held this fall.

Pyongyang, a signatory to the Nuclear Nonproliferation Treaty since 1985, has rejected obligatory inspections of its nuclear facilities by the Geneva-based International Atomic Energy Agency (IAEA).

North Korea told the IAEA late last month it is ready to resume talks on a nuclear safeguard accord.

But it remains unclear whether Pyongyang has altered its stance that the inspections be conditional on simultaneous inspections of U.S. nuclear weapons allegedly stockpiled in South Korea and on a guarantee from Washington that it will not use them against the North in the event conflict breaks out on the peninsula.

Foreign Ministry officials said North Korea was expected to explain its position at the IAEA board of governors meeting which started in Vienna on Monday.

Asked to comment on another report that Washington has informally notified Tokyo it may withdraw its nuclear weapons from South Korea should the North agree to IAEA inspections, Armacost said, "I don't know anything about it."

But the American envoy linked his response to the U.S. policy of neither confirming nor denying the presence of nuclear weapons in South Korea. "We don't talk in public about deployment of nuclear weapons anywhere in the world," he said.

"We coordinate with Japan on Korean issues, of course," Armacost added, noting that both countries share a concern about North Korea's nuclear facilities.

He said that as Pyongyang is under international obligation to accept IAEA inspections "we think an effort by them to establish other conditions is inappropriate."

Toyota President Dismisses U.S. Dumping Charge

OW1206125291 Tokyo KYODO in English 1201 GMT 12 Jun 91

[Text] Tokyo, June 12 KYODO—The president of Toyota Motor Corp. on Wednesday dismissed charges leveled by the U.S. "Big Three" automakers that Japanese auto companies are selling their minivans at unfairly low prices in the United States.

"We are surprised. But I am sure there has been no such thing as dumping," Shoichiro Toyoda told a press conference here.

In a recent petition filed with the U.S. International Trade Commission (ITC), General Motor Corp., Ford Motor Co., and Chyrysler Corp. accused four Japanese automakers—notably Toyota and Mazda Motor Corp.—of dumping Japanese-made minivans on the U.S. market and causing serious damage to their business.

Toyoda disputed the U.S. claim, which charged Japan's largest automaker with selling its Previa minivans at as much as 30.5 percent below fair market value.

"We have been been sufficiently careful in setting prices," he said, adding that he thought Japanese-made minivans have caused little harm to the U.S. automakers.

Advisory Group Comments on Trade, Rice Issues

OW1206100591 Tokyo KYODO in English 0907 GMT 12 Jun 91

[Text] Tokyo, June 12 KYODO—A government advisory body called on the government Wednesday to do its utmost for the successful conclusion of the Uruguay Round of multilateral trade talks.

But the provisional council for the promotion of administrative reform failed to mention the controversy over Japan's ban on rice imports.

Japan's rice policy is a key issue in the trade talks, along with a dispute between the United States and the European Community over the reduction of aid to farmers in their countries.

As for administrative reform itself, the council said in a report that the top priorities are the realization of an administration capable of making an international contribution and greater stress on consumers.

Eiji Suzuki, chairman of the panel and former president of the Japan Federation of Employers' Associations (Nikkeiren), submitted the report to Prime Minister Toshiki Kaifu.

The council is scheduled to submit an interim report on administrative reform in early July based on Wednesday's report and a final report by the end of this year.

Although the panel had discussed the rice issue, and Suzuki himself called for partial opening of the rice market May 17, Wednesday's report called only for utmost efforts for a successful conclusion of the Uruguay Round in order to maintain the free trade system.

The United States has demanded that Japan open its rice market, and some officials of the government and ruling Liberal Democratic Party have proposed that Japan agree to partially open its rice market before the seven-nation London economic summit in mid-July.

The panel also called for a "new vision" for agricultural policy, including the introduction of a market-oriented system.

As for social security programs, the panel urged unification of public welfare pension systems by 1995.

The report, pointing out that administrative reform cannot be realized without the cooperation of the government, recommended strong governmental leadership.

Agricultural Groups Oppose Opening Rice Market

OW1206080591 Tokyo KYODO in English 0319 GMT 12 Jun 91

[Text] Tokyo, June 12 KYODO—The Central Union of Agricultural Cooperatives (Zenchu) and other national agricultural organizations, meeting Wednesday, endorsed blocking any opening of Japan's rice market.

The groups also called on the government to hold the price paid to farmers for the 1991 rice crop at last year's level.

Rice farmers are increasingly opposed to opening the rice market, but officials of the ruling Liberal Democratic Party and business leaders have been moving toward liberalization.

The government is considering cutting the price paid to farmers for rice two years running, but farm groups oppose further cuts because of higher commodity prices and interest rates.

The governmental Rice Price Council, set to meet July 3-4, is likely to discuss future rice policy, particularly growing international demands for an open market in Japan.

Red Army Denies Involvement in Naples Bombing

OW1206131991 Tokyo KYODO in English 1130 GMT 12 Jun 91

[Text] Tokyo, June 12 KYODO—The Japanese Red Army sent a letter to the Italian Embassy in Tokyo on Wednesday claiming that the group was not involved in the 1988 car bomb attack of a U.S. forces officers' club in Naples which killed five people.

One lawyer and one supporter delivered the letter to embassy officials on behalf of Fusako Shigenobu, 45, leader of the extremist group. The lawyer and the supporter spoke to KYODO NEWS SERVICE on condition of anonymity.

Shigenobu said in the letter that she had heard that members of the group would go on trial in absentia and asked the Italian Government to give them a chance to plead innocent.

The letter, dated May 5 and sent from Lebanon, was addressed to the Italian Government and Italian judicial authorities, they said.

One American serviceman and four Italians were killed and 15 people were injured when a powerful car bomb went off outside a U.S. military club in Naples on April 14, 1988.

The Red Army denied responsibility for the attack immediately after the bombing.

Italian police put out a warrant for the arrest of Shigenobu and Junzo Okudaira, 40, another member of the Japanese Red Army, for the alleged involvement in the attack based on testimonies of witnesses.

Italian judicial authorities decided in January to try the two Japanese in absentia.

The Japanese Red Army, formed in 1971, is responsible for a series of hijacking and armed attacks in the 1970s, including the 1972 attack at Lod International Airport in Tel Aviv in which three of its members went on a machine gun and hand grenade rampage, killing 26 people and injuring 72.

The Japanese Red Army is reportedly based in Lebanon's al-Biqa' Valley and has close ties with radical Palestinian groups.

Japanese police have placed Shigenobu, Okudaira, and another 14 members of the group on the international wanted list.

Analysts Predict Investment in PRC's Guangdong

OW1106013791 Tokyo KYODO in English 2322 GMT 10 Jun 91

[Text] Hong Kong, June 11 KYODO—The next wave of Japanese investment in Asia may sweep across China's Guangdong Province using Hong Kong as a springboard, Japanese analysts predict.

As rising production costs dull the luster of other countries in the region, Guangdong, with its cheap and abundant labor and land, is beginning to attract increasing interest from Japanese businessmen based across the border in Hong Kong.

With the exception of the north, Japanese investment in China has lagged way behind that of Hong Kong, the United States, and Western Europe, and the south has been virtually ignored.

Japanese businessmen and analysts in Hong Kong, impressed by what the province has to offer, say it is time for Japan to pay more attention to Guangdong, China's richest, most advanced, and fastest growing province.

"Within the next 20 years, this area could become the production center of Asia," says Joseph Totani, general manager of planning and development for Nissho Iwai Hong Kong Corp. "We have to move now."

In September 1990, the Japanese Consulate General in Hong Kong set up the South China Study Group to carry out research on the region, and last month a delegation of 14 leading Japanese businessmen, analysts and government officials made a four-day fact- finding trip to three emerging cities in the province—Huizhou, Dongguan and Guangzhou.

A committee is now working on a study of the investment potential of Guangdong, which is expected to be completed by the autumn, and a seminar for Japanese businessmen is scheduled for September in Tokyo.

The results may encourage more Japanese to invest in the area, which has been transformed since the open-door policy began in the late 1970s.

A little over a decade ago, 90 percent of the province's total output was in agriculture, but by 1990 industry accounted for 87 percent of the gross provincial output of 164.3 billion yuan.

During the 1980s Guangdong Province expanded by an average of 9 percent a year while Shenzhen, the most successful of the country's five special economic zones, recorded an average annual growth of 500 percent for the decade.

By the end of 1990, Guangdong had approved almost 14,000 direct foreign investment projects, close to half the total for the whole country, worth almost 18 billion U.S. dollars, and its exports for 1990 amounted to 10.5 billion U.S. dollars, 17 percent of China's total exports for the year.

Wages in the province, which has a population of 63 million, are competitive with other countries in Southeast Asia. They are as low as 150 yuan per month in some parts of the province and are kept low by a pool of workers who migrate there from other provinces.

One major drawback is the frequent power and water shortages, and the lack of raw materials and components for manufacturing, but provincial authorities have announced an ambitious program over the next five years to increase investment in the infrastructure and raw materials.

The government expects to invest 20-30 billion yuan in roads, bridges, railways, and iron and steel works, and another 20 billion yuan in petrochemical plants.

Included in the plans are the largest integrated steel mill in the country, the construction of a new deep water port, and the building of a second nuclear power plant.

Many businessmen say that Guangdong's main selling point is its proximity to Hong Kong, and the growing economic integration of the two economies.

"Guangdong Province is close to Hong Kong and can use the territory's good ports, airport, banking system, telecommunications, management skills, and know-how," says Yuki Kimura, president of Nomura Research Institute Hong Kong.

The visit of the Japanese delegation to Hong Kong in May was cosponsored by the semiofficial Hong Kong Trade

Development Council, which hopes to promote the territory's role as a gateway to China and create more business for local traders.

"More Japanese are coming to understand the relation between Hong Kong and Guangdong Province and are recognizing the great investment opportunities in this area," says Kimura. "I expect many Japanese companies will come to this area to invest, set up factories, and sell."

The province, which in the past concentrated on light industry, would now like to put more emphasis on heavy industry, high technology production, and infrastructure development.

To do this, it will need a lot of capital and technology, and Hong Kong and Chinese officials see Japan as best able to help in this regard.

"The first industrial revolution in China was started by Hong Kong people in 1978," says Dennis Yau, assistant director of the Hong Kong Trade Development Council.

"We see Japan as bringing about the second industrial revolution through the development of heavy industry," he said.

But Beijing has directed most of Japan's governmental aid to central and northern China, and Japanese businessmen are reportedly not keen on investing in large infrastructure projects.

Japanese businessmen express concern about China's flawed legal system, and the lack of protection for businessmen and investors, as well as the shortages of power and raw materials which will continue to be a problem for the near future.

But for the time being, Japanese companies could well take advantage of the province's cheap labor—27 times lower than in Japan—to turn out light industrial goods, putting investment in heavy industry and infrastructure projects aside.

Among Japanese companies which have recently set up production facilities in Guangdong, or which are about to do so, are Hitachi, Ricoh, Epson, Canon, and Sanyo.

Yaohan International, a major Japanese retail chain which moved its headquarters to Hong Kong in October 1989, will open a department store in Shenzhen in Guangdong Province in July, the first to be set up jointly by Japanese and Chinese concerns.

Projected sales for the first year are expected to reach 1.3 billion yen.

South Korea Agrees To Open New Shipping Routes

OW1206133091 Tokyo KYODO in English 1137 GMT 12 Jun 91

[Text] Tokyo, June 12 KYODO—Japan and South Korea have agreed to open a high speed liner service between the two countries, Transport Ministry officials said Wednesday.

The officials said the agreement was reached at bilateral shipping negotiations in Tokyo.

Under the agreement, the two countries will inaugurate two routes between Shimonoseki, Yamaguchi Prefecture, and Pusan in southern Korea, and between Izuhara on Tsushima Island and Masan also in southern Korea.

The Shimonoseki-Pusan route will be opened on July 29 by a Japanese shipping company and the Izuhara-Masan route will be operated by a South Korean company, starting in September, the officials said.

The cruising time will be about three hours on both routes, they said.

Shimonoseki and Pusan now are linked by a ferry service operated by a Japanese firm.

Burma To Receive 3 Billion-Yen Grant

OW1206120891 Tokyo KYODO in English 1023 GMT 12 Jun 91

[Text] Tokyo, June 12 KYODO—Japan will provide Myammar [Burma] with a grant of 3 billion yen to help promote the country's economic development, the Foreign Ministry announced Wednesday.

The ministry said the decision is part of Japan's debt relief measures agreed on at a ministerial meeting of the Trade Development Board of the United Nations Conference on Trade and Development (UNCTAD) in March 1978.

The fund is equivalent to interest paid by Myammar for the latter half of fiscal 1990 on loans provided by Japan under bilateral agreements signed before March 31, 1988, the ministry said.

Tokyo Pledges Yen Credits to Indonesia

OW1206120691 Tokyo KYODO in English 1012 GMT 12 Jun 91

[Text] Tokyo, June 12 KYODO—Japan has pledged to provide a package of low interest yen credits totaling 161,246 million yen to Indonesia in fiscal 1991 to support the country's economic development, the government announced Wednesday.

The announcement said the promise was made at a meeting of Indonesia's creditor nations held in The Hague, the Netherlands, Wednesday.

The credits include 67,520 million in a sector loan which allows Indonesia to import necessary commodities, and project loans totaling 93,726 million yen to help finance construction projects and improvement of the infrastructure.

The credits are repayable over a 30-year period, including a 10- year grace period, at an annual interest rate of 2.6 percent.

Notes on the loans will be exchanged between the two countries in late August, government officials said.

Bank Governor on 'Excessive' Dollar Appreciation

OW1206085491 Tokyo KYODO in English 0833 GMT 12 Jun 91

[Text] Tokyo, June 12 KYODO—Bank of Japan (BOJ) Governor Yasushi Mieno said Wednesday that he wants the excessive appreciation of the dollar against the yen dealt with through coordinated intervention.

The U.S. dollar jumped nearly 2 yen early this week, topping the 141 yen mark for the first time in nine months.

He attributed the dollar's upsurge to a change in the market's perception over the state of the U.S. economy following U.S. Federal Reserve Board Chairman Alan Greenspan's relatively upbeat remarks last week in Osaka regarding the direction of the U.S. economy.

But Mieno told reporters at a regular news conference that all indicators do not point to an upturn in the U.S. economy, citing the continuing credit crunch and the slump in the real estate market.

Even if the U.S. economy is on an upswing, the pace of its expansion will probably be extremely mild, he said, attempting to cool investor confidence over the U.S. economy and the dollar.

Mieno said there will be "no change in the central bank's monetary policy" following Tuesday's release of its quarterly survey of business conditions, known as the "tankan" report.

He said the latest report confirms the strength of the Japanese economy and that the backbone of the economy is still strong.

Mieno said that despite a moderate decline in growth the economy is continuing to expand.

Although prices are showing signs of stability, they must continue to be monitored closely, he said.

The BOJ chief indicated that prices continue to warrant monitoring because of the tight labor market, which is showing some signs of easing.

He said "tankan" results indicating a growing perception among business managers of price stability was due chiefly to lower oil prices.

Because speculation in the markets had been rife in recent months regarding a cut in the nation's official discount rate immediately following the release of the "tankan" report, Mieno's comments seemed to quash hopes that such a reduction would materialize.

Mieno declined to comment on the possibility of a meeting of top finance officials from the Group of Seven (G-7) industrial nations prior to the mid-July London summit.

He said he was not approached about such a meeting and that it would be "inappropriate" to comment.

A news report in one of the nation's business dailies indicated that such a meeting could take place in Vancouver between June 21 and 24.

Keidanren Urges Internationalization of Yen

OW1206100791 Tokyo KYODO in English 0900 GMT 12 Jun 91

[Text] Tokyo, June 12 KYODO—A powerful business organization called Wednesday for internationalization of the Japanese yen to help ease the global capital shortage.

The Federation of Economic Organizations, known as Keidanren, said Japan, as the world's largest creditor nation, is required to play an important financial role in the international community.

To attain this goal, the federation urged the government to liberalize Euroyen bond issuance on the Eurodollar market and establish oil, copper, and aluminum futures markets to promote yen- based imports of these products.

The federation expressed concern over dwindling current account surpluses in oil producing countries, Japan, and Germany amid growing demand for capital to help promote economic reforms in the Soviet Union and East European countries and for economic reconstruction in countries affected by the Persian Gulf war.

Narrowing the capital supply-demand gap is a major challenge facing the world economy in the 1990s, it said.

The federation called on the Bank for International Settlements to ease its squeeze on financial institutions to raise their net assets.

The Basel-based bank calls for commercial banks and securities companies in member countries to raise the net worth ratio to operating capital to 8.0 percent by 1993.

The federation warned tight controls on financial institutions will impede the recycling of surplus funds to needed countries, causing a retreat of the world economy.

SDP Reform Panel Accepts U.S. Security Treaty

OW1206082191 Tokyo KYODO in English 0743 GMT 12 Jun 91

[Text] Tokyo, June 12 KYODO—Members of a Social Democratic Party (SDP) panel agreed Wednesday that the No. 1 opposition party should accept the Japan-U.S. Security Treaty as part of a review of basic party policies, SDP officials said.

The panel on party reform, headed by Vice Chairman Makoto Tanabe, however, demanded that the security treaty between Japan and the United States be transformed into a friendly and peaceful agreement through the removal of its military aspects.

The committee also agreed that the party should strive to create a collective security system in Asia such as the Conference on Security and Cooperation in Europe (CSCE).

The SDP has long urged unarmed neutrality for Japan and the scrapping of the Japan-U.S. security arrangement.

In a major departure from its long-standing stance on national security, the panel agreed Tuesday to virtually accept the existence of the Self-Defense Forces.

The committee, set up after the SDP suffered a major setback in nationwide local elections in April, plans to draft party reform measures by early next week. The party is planning an extraordinary convention July 30-31 to discuss the reform plan.

After Wednesday's meeting of the committee, Tanabe told reporters that the panel will also propose acknowledging the 1965 treaty normalizing relations between Japan and South Korea.

The party, known for its pro-Pyongyang stance, opposed ratification of the treaty.

On national energy, the panel will recommend that the party support nuclear power under strict safety regulations, said Tanabe, a leading member of the SDP's right wing.

SDF 'Virtually' Accepted

OW1106224091 Tokyo KYODO in English 1443 GMT 11 Jun 91

[Text] Tokyo, June 11 KYODO—A Social Democratic Party [SDP] reform committee Tuesday proposed virtually accepting the existence of the Self-Defense Forces (SDF), party officials said.

The largest opposition party's reform committee, led by SDP Vice Chairman Makoto Tanabe, endorsed his call for acceptance of the SDF but not in its present form.

Tanabe said, "the present gigantic SDF equipped with offensive weapons is not constitutional and it cannot be denied that it is unconstitutional."

"The SDF should not be expanded in both quality and quantity and efforts should be made to reduce it from the present level," he added.

The committee, established after the SDP was drubbed last April in elections for governors, mayors, and local assemblies, will submit its reform plan at an extraordinary SDP convention scheduled for July 30-31.

The committee agreed with Tanabe, a member of the SDP's right wing, that scaling down the SDF would be "consistent with the spirit of the Constitution," which renounces use of force to settle international disputes.

Tanabe said a smaller SDF should be allowed to participate in international peacekeeping activities as well as disaster relief efforts at home.

The SDP has consistently opposed the existence of the SDF on constitutional grounds and has called for its phased elimination. It also has demanded adherence to unarmed neutrality and the scrapping of Japan-U.S. security arrangements.

SDP Chairwoman Takako Doi, in a 1989 policy proposal for an SDP- led future coalition government, endorsed the existence of an SDF under tight civilian control.

She also called for limiting the defense budget to less than 1 percent of gross national product and confining the SDF's mission to protecting Japanese territory.

SDPJ Official Comments on SDF, Reform

OW1206105191 Tokyo NHK General Television Network in Japanese 1224 GMT 11 Jun 91

[Interview with Makoto Tanabe, chairman of the Reform Committee of the Social Democratic Party of Japan, by NHK newscaster Tadashi Sonoda; from "NHK News 21" program]

[Text] I will interview Mr. Tanabe, chairman of the Reform Committee of the Social Democratic Party of Japan [SDPJ].

Mr. Tabane, your party's reform committee today began debates on how to work out a draft reform program for your party. Regarding the handling of the Self-Defense Forces [SDF], which is the focus for reviewing the basic policy of the SDPJ, some contended during the debates that the party must view the SDF as constitutional while others argued that the SDF is totally unconstitutional. How will this issue be dealt with in the draft reform program?

[Tanabe] Yes, since the SDF has existed for 40 years, it is natural to look at the SDF as it is. However, the SDF is now equipped with offensive military hardware and has grown very big. I believe that it is really hard to say that the SDF is constitutional. I think that it will be our important duty to debate how the party should deal with the SDF after recognizing the existence of large differences within the party over the SDF.

[Sonoda] As to the issue of the SDF, Dietman Kosuke Uehara, elected in Okinawa Prefecture, compiled a private report that implies the constitutionality of the SDF, saying that it is possible to maintain a certain degree of defense capabilities within the purview of the Constitution. Will the report be referred to in working out the draft reform program?

[Tanabe] Mr. Uehara is chairman of the Special Committee on Security and Disarmament in the party and he has been in charge of implementing a peace-creating policy set at the party convention. Therefore, he is well aware of the hitherto particulars of debates held within the party. I think that his view is very important. We are working to look for a way to formulate the draft reform program, taking his view into consideration.

[Sonoda] From now on, a variety of debates will be held. Regarding the handling of the SDF, will your party incorporate it in the basic policy not as a vague expression, but in a clear-cut manner?

[Tanabe] As I have just told you, I believe that our party should work on various things such as the promotion of disarmament and the reorganization and the restructuring of the SDF to enable Japan to make international contributions. We intend to publicize our efforts as much as possible. We also intend to make the people clearly understand what the SDF is doing. We plan to make clear our policies and views based on the belief that these efforts are consistent with the spirit of the Constitution.

[Sonoda] This question concerns what you have just said. I would like to ask about the Peacekeeping Operation [PKO] of the United Nations. Mr. Tanabe, what do you think of using the SDF for the PKO?

[Tanabe] Yes, the SDF will be reduced for the promotion of disarmament and this in turn will lead to a debate on the treatment of SDF members to be discharged as a result of the reduction. Since Japan lives in the international community, we intend to use the SDF as much as possible for the sake of the international community. The SDF can be reorganized to that end and another organization can be created to make it possible for Japan to make international contributions. I believe that this question should be dealt in response to calls of the era. I think that there are various ways to use the SDF. At any rate, I believe that the SDF can be used for international peacekeeping activities.

[Sonoda] An extraordinary party convention to be held next month is due to decide on the draft reform program to reshuffle party executives to make clear responsibilities. Will Chairwoman Doi retain her post? Will a new chairman be elected at the extraordinary party convention?

[Tanabe] This matter is something to be judged by Chairwoman Doi. This matter will be left to Chairwoman Doi. What is important is that we are debating the draft reform program and we plan to submit the daft reform program to the party Central Executive Committee after working out it and then submit it to the extraordinary party convention. We seek a chairman who can implement the reform program. I believe that it is important that under the chairman's leadership, all the party members unite themselves to implement the reform program. The issue of reshuffling the party executive will be dealt according to Chairwoman Doi's view.

[Sonoda] This question concerns the party convention. I would like to ask abut the reorganization of the political world. Former Deputy Prime Minister Kanemru said that if the SDPJ is led by the rightist faction and becomes more realistic, we are ready to form a coalition government with the SDPJ. Mr. Tanabe, what do you think of reshaping the political world?

[Tanabe] We have to adhere to our basic ideology. However, we should respond flexibly to reality to fulfill the basic ideology. With that in mind, we are promoting party reform. I believe that it is necessary to form futuristic political forces able to bring about a change in power. The SDPJ is working hard in the direction of laying a solid foundation to succeed power. We are calling upon other opposition parties to form an alternative government to the LDP government. This is a basic strategy of our party. We are not thinking of becoming a political force in support of the LDP. I think that the government in Japan will take a variety of forms in the future. We intend to play a key role among opposition parties, while adhering to these principles. We are working in that direction.

Improper Installation Causes Reactor Accident

OW1206001891 Tokyo NHK General Television Network in Japanese 1000 GMT 11 Jun 91

[Text] An investigation has found that an improper installation was the cause of an incident at the No. 2 reactor of the Oi Nuclear Power Plant, operated by the Kansai Electric Power Company. During a routine reactor inspection in April, a piece of metal was found below the fuel aggregate. The investigation identified the metal shred as a badly installed part which had worn down during reactor operations.

In April, a routine inspection by remote television camera of the No. 2 reactor at Oi nuclear power plant in Fukui Prefecture revealed that a metal part called a spinning-stopper, which should have been supporting control rod guide pipes, was on the floor inside the reactor.

Kansai Electric Power Company retrieved the metal part, and conducted a investigation to find out why the part had been dislodged. The company finally found that a pin in the spinning- stopper was 1 millimeter out of alignment. As a result, the stopper was worn down by vibrations from the reactor, and the part was dislodged.

The Ministry of International Trade and Industry [MITI] believes that primary cooling water carried the spinning-stopper into the reactor via small tubes running inside the steam generator. However, the company's inspection did not find any damage inside the tubes.

The No. 2 reactor of the Oi power plant has 146 spinning-stoppers. Further inspection by Kansai Electric Power indicated that all the other stoppers were installed correctly.

The MITI ordered the company to replace the worn-out spinning- stopper, and install a new part correctly.

Demand for Energy 'Growing Too Quickly'

OW1206120091 Tokyo KYODO in English 1043 GMT 12 Jun 91

[Text] Tokyo, June 12 KYODO—Japan's demand for energy is growing too quickly, and both the government and people need to put more effort into conservation, an energy expert said Wednesday.

Raising the cost of fuel or introducing new taxes might have to be considered, said Toyoaki Ikuta, head of an advisory group on energy conservation to the Ministry of International Trade and Industry (MITI). But he did not propose specific figures.

Ikuta and other energy specialists recommended last June that the growth rate in Japan's energy demand be held to 1.8 percent a year until 2000.

But demand increased an estimated 4.8 percent in fiscal 1990, ended March 31, and is projected at the 4 percent level for the current fiscal year.

If such a growth continues, Ikuta said energy costs would become a burden on the nation's economy.

Maintaining a stable energy supply would also become increasingly difficult, putting the economy at risk from the viewpoint of energy security, he said.

In the worst case, he predicted energy might have to be rationed.

Efforts to protect the environment may not be able to keep up with the growth in energy demand, Ikuta said, adding that the global level of carbon dioxide is expected to increase 50 percent over the current level by 2000.

Mongolia

President Ochirbat Meets With Japanese Officials

OW1206104391 Tokyo KYODO in English 0952 GMT 12 Jun 91

[Text] Ulaanbaatar, June 12 KYODO—Mongolian President Punsalmaagiyn Ochirbat asked Japan on Wednesday to provide his country with 200 million dollars in economic assistance to help it promote its economic reforms, Japanese officials said.

Ochirbat told a 13-member delegation from Japan's ruling Liberal Democratic Party (LDP) that political democratization is "proceeding well" in Mongolia.

"But we are facing a lot of difficulties in economic reform with the introduction of a market economy," Ochirbat was quoted as saying.

Ochirbat told the mission that Mongolia is looking to outside assistance, particularly from Japan, to overcome these problems.

Mongolia, which depended for many years on the Soviet Union for economic, military and political support, made a peaceful transition from communism to a multiparty political system in 1990, but has since suffered problems in dismantling its controlled economy.

Ochirbat told the delegation that Japanese Prime Minister Toshiki Kaifu's coming visit in August is of "great significance" to Mongolia.

Kaifu's visit will provide an opportunity to advance relations between the two countries, Ochirbat was quoted as saying.

The delegation from the LDP's Afro-Asian Study Group is led by House of Representatives member Hajime Ishii. Separate from the party mission, Parliamentary Vice Minister for Foreign Affairs Muneo Suzuki is also in Ulaanbaatar.

Both the mission and Suzuki are visiting Mongolia to participate in a 12-day Japanese cultural festival which began in the capital of Ulaanbaatar on Wednesday.

Events in the cultural festival include a joint performance by Japanese children and the Mongolian national orchestra and an amateur singing contest.

Japanese Parliamentarian Promises Aid

OW1106233891 Tokyo KYODO in English 1424 GMT 11 Jun 91

[Text] Tokyo, June 11 KYODO—Japan's Parliamentary Vice Foreign Minister Muneo Suzuki assured Mongolian President Punsalmaagiyn Ochirbat on Tuesday that Japan will cooperate in providing economic assistance to Mongolia.

In a meeting with Ochirbat in Ulaanbaatar, Suzuki pledged Japan's efforts to draw attention to Mongolia's need for aid at the upcoming London summit of seven major industrialized countries, foreign ministry officials said, quoting a report from the Mongolian capital.

Suzuki, who is currently visiting Mongolia, was responding to Ochirbat's request for Japanese help in including items on assistance to Mongolia in decisions to be made during the July 15-17 summit.

While welcoming Japanese Prime Minister Toshiki Kaifu's scheduled visit to Mongolia in August, Ochirbat called for short- term Japanese aid amounting to 200 to 300 million dollars to help the country cope with an economic crisis, the officials said.

He also called for cooperation in the electric and mining and manufacturing industries. Suzuki promised efforts to meet Mongolia's requests, the officials said.

Kaifu will visit China and Mongolia on August 10-14. He will be the first Japanese Prime Minister ever to visit Mongolia.

North Korea

Envoy: U.S. Must Rid South of Nuclear Weapons

OW1206040291 Tokyo KYODO in English 0333 GMT 12 Jun 91

[Text] Geneva, June 11 (KYODO)—The United States must remove all nuclear weapons from South Korea, even if North Korea signs an international accord on nuclear inspection, the North Korean ambassador to Switzerland said Tuesday.

Li Chol, also ambassador to Geneva-based international organizations, told KYODO NEWS SERVICE the U.S. will remain a threat to Pyongyang even after North Korea concludes the safeguards treaty allowing international inspections of nuclear facilities.

North Korea signed the nuclear nonproliferation treaty in 1985 but has not allowed international inspection, saying that can come only after the U.S. removes the 1,000 nuclear weapons North Korea says are in South Korea.

The North Korean ambassador demanded Washington remove the weapons from South Korea, saying, "one should not look at this issue unilaterally. We are showing goodwill. We are also hoping the United States will move."

Li said the U.S. has explained the existence of nuclear arms in South Korea as a deterrent to the Soviet Union, but he rejected the idea because the Soviet Union is no longer an enemy of the U.S.

Li said the removal of U.S. nuclear arms from South Korea is an urgent issue and added that the issue over nuclear and nonnuclear weapons carried by U.S. warships should be solved through security discussions among Asian countries.

He also said his country hopes to build mutual confidence through negotiations between Pyongyang and Washington.

Li said Paul Wolfowitz, a senior U.S. Defense Department official, has discussed with North Korean officials in his recent visit to North Korea on nuclear inspection and U.S. soldiers still missing after the 1950-1953 Korean war.

Removal of Nuclear Weapons From South Urged

SK1206104291 Pyongyang KCNA in English 0958 GMT 12 Jun 91

["Nuclear Threat Should Be Removed Quickly on Korean Peninsula and in Asia"—KCNA headline]

[Text] Pyongyang June 12 (KCNA)—To remove the danger of a nuclear war and guarantee peace on the Korean peninsula at present is not only a vital problem related to the destiny of the Korean people but also a most urgent demand to guarantee peace and security in Asia, says NODONG SINMUN today in an editorial. It stresses:

If the danger of a nuclear war is to be removed from the Korean peninsula and in Asia, its hotbed must be liquidated and to this end, the U.S. nuclear weapons must be withdrawn from South Korea and the Korean peninsula be turned into a nuclear-free, peace zone.

The great leader Comrade Kim Il-song has taught:

"The consistent stand of our party and the government of our Republic is to make the Korean peninsula a nuclear-free peace zone."

From the constant stand to convert the Korean peninsula into a nuclear-free, peace zone our party and the DPRK Government put forward one reasonable proposal after another to remove the nuclear threat and ensure a durable peace on the Korean peninsula and are making energetic efforts for their realisation.

As the reality shows, however, the danger of nuclear war is growing each day on the Korean peninsula, despite our repeated peace proposals and efforts and this makes nuclear threat hang heavily over our people and the Asian people.

The political parties and public organisations of the DPRK were entirely right when they said in a joint statement on June 10 that it has become all the clearer that the presence of more than 1,000 pieces of nuclear weapons deployed by the United States in South Korea constitutes the main cause of the threat not only to the existence of the Korean people, but also to the peace and security of Asia.

When deploying the nuclear weapons in South Korea, the United States claimed that they were aimed at "deterring the Soviet Union from downward thrust." Then, is there any need to keep these nuclear weapons there today when the U.S.-Soviet relations have moved from confrontation to detente and the Soviet Union and the United States do not regard each other as the "enemy," and agreed not to unleash a nuclear war and abolished some nuclear missiles?

If the United States had its object in opposing only our Republic, it would not have deployed such large number of nuclear weapons in South Korea, which have an explosive power 1,000 times the atomic bombs it dropped on Hiroshima and Nagasaki.

Nuclear weapons deployed by the United States in South Korea are after all aimed at dominating the whole teritory of Korea and Asia and at threatening and bringing under its control any Asian country under the pretext of "defending" U.S. interests and security in case something disagreeable to its "feeling" happens in this area.

It is clear that if another war is started by the United States on the Korean peninsula, it will immediately be a nuclear war under the condition in which a large number of nuclear weapons are deployed in South Korea, ready for operation, and its flame will easily spread to the Asian region, bringing a horrible nuclear scourge to its people.

The political parties and public organisations of the DPRK were entirely just when they said in the joint statement that if the danger of nuclear war is to be removed on the Korean peninsula and Asian region, first of all, the U.S. nuclear weapons deployed in this area, the hotbed of a nuclear war, must be eliminated and the Korean peninsula be made a denuclearized zone.

It is preposterous for the United States to talk about "peace" and "security system," while threatening our people and Asian people with a great number of nuclear weapons kept in South Korea. This is a crafty ruse to cover up its policy of nuclear blackmail and mislead public opinion.

Worse still, the United States is now raising a hue and cry over the "nuclear inspection problem" and intensifying its campaign, inveigling even its satellite states and puppets into it. This is a new brazen act at a time when it can no more refute the unreasonableness of the deployment of nuclear weapons in South Korea and a base intrigue to invent a pretext to impose nuclear disasters upon us and the Asian people.

If the nuclear inspection should be made it must not be forced upon us alone with no nuclear weapons but the U.S. nuclear bases in South Korea must be opened to the public and their international inspection be made at the same time.

It is quite strange that Japan which was the first country in the world to suffer nuclear calamities at the hand of the United States urges us to accept "nuclear inspection", us who have neither nuclear weapons nor intention and capacity to develop them, closing her eyes to the U.S. nuclear weapons in South Korea, its nearest area.

If Japan is truly concerned over the nuclear threat, she must see the danger of nuclear weapons deployed in South Korea and play a role helpful to the removal of its danger.

If the United States sincerely wants peace and security on the Korean peninsula and Asia, it should not threaten our people and the Asian people, keeping nuclear weapons in South Korea, but take a step to withdraw them at once.

Nonproliferation Treaty Explained to Listeners

SK1106101291 Pyongyang Korean Central Broadcasting Network in Korean 0750 GMT 9 Jun 91

[Text] I will explain the Nuclear Weapons Non-Proliferation Treaty [NPT] to Kim Kyong-su, in Hamju County, South Hamgyong Province, and various other listeners.

The signing of the NPT started on 1 July 1968, and the treaty became effective on 5 March 1970. Approximately 140 countries subscribed to this treaty. Our country subscribed to this treaty on 12 December 1985. The treaty, composed of the preamble and 11 clauses, cites the prevention of nuclear war and the removal of all the elements that cause nuclear threats as its basic goal and idea. The treaty also cites what the signatories should do to implement this goal and idea.

Considering the particular importance and role of nuclear countries in building a nuclear-free zone, the treaty obligates these countries to make every effort to escape the danger of nuclear war and to take measures to defend the people's safety; to prevent the proliferation of nuclear weapons and to reduce nuclear armaments; to eternally stop the test of nuclear weapons and not to develop nuclear weapons; and not to threaten other countries using force of arms and refrain from using force of arms against other countries. In addition, the treaty obligates countries that possess nuclear weapons not to hinder nonnuclear countries from waging a struggle to create a nuclear-free zone and not to create any situation that endangers the basic interests of other countries.

Since the NPT was signed, the world's peace-loving countries have made every effort to prevent the proliferation of nuclear weapons and achieve the nuclear arms reduction. However, the U.S. imperialists have not sincerely fulfilled their duty stipulated in this treaty. The U.S. imperialists have continued underground nuclear tests and test missile launches and accelerated the development of new nuclear weapons. They have also shifted nuclear weapons to forward positions, thus threatening peace and stability there. They have also speedily carried out the Star Wars plan to deploy nuclear weapons in space and opposed the just efforts by nonnuclear countries to create nuclear-free zones. In particular, the U.S. imperialists, considering South Korea as a frontline base in carrying out its strategies, have turned it into the largest forward nuclear base in the Far East and one of the most dangerous flash points of nuclear war and frequently conducted the Team Spirit and various other nuclear war exercises. As an open violation of the NPT, these acts by the U.S. imperialists will practically increase the danger of nuclear war and threaten peace.

Therefore, during a fourth meeting to examine the implementation of the NPT held in Geneva in August-September 1990, nonnuclear countries described the nuclear countries' deployment and buildup of nuclear weapons in other countries as the vertical proliferation of nuclear weapons and unanimously denounced the United States for not implementing this treaty. Even though it has been denounced by the world for not fulfilling the duty stipulated in the treaty, the United States has spread the false rumors that our country has refused to subscribe to the Nuclear Safeguards Accord with the International Atomic Energy Agency and to accept the agency's nuclear inspection. It has also recently said that we were developing nuclear weapons. This is truly a falsehood and fabrication. By so doing, the U.S. imperialists are attempting to tarnish the international prestige of our Republic.

If it truly wants to remove the danger of nuclear war from the Korean peninsula, the United States must take practical measures to legally promise to guarantee nuclear security to us and to remove nuclear threats, instead of saying one thing or another about our country.

NODONG SINMUN Views Decision To Join UN

SK1206110291 Pyongyang KCNA in English 1032 GMT 12 Jun 91

["Independent and Patriotic Step for Reunification"—KCNA]

[Text] Pyongyang June 12 (KCNA)—NODONG SINMUN today carries a by-lined article titled "Independent and Patriotic Step for Reunification" on the decision of the Democratic People's Republic of Korea to enter the United Nations.

The article quotes the great leader Comrade Kim Il-song as teaching:

"It has become impossible for the North and the South to enter the U.N. with a single seat. Under these circumstances, we have made a decision, as a countermeasure, to enter the U.N. there will be no change in our principled stand that the North and the South should work jointly at the international arena as one nation and that they should hold one seat at the U.N. as one state representing the whole nation."

The article says:

Our decision to join the U.N. is an entirely independent step taken by our independent judgement of the situation and decision.

Our internal and external policies are completely independent ones not allowing any outside intervention and interference.

In the international arena we respect the authority of the United Nations whose mission it is to safeguard peace and justice and regard it natural that our country, a sovereign and independent state, should enter the U.N.

We have been prudent on our country's U.N. membership because it has a direct bearing on the question of our country's reunification, the supreme task of our nation.

We have maintained the principled stand that U.N. membership is an internal affair of our nation and, accordingly, it must be settled through prior negotiation and agreement between the North and the South.

This is the reason why we proposed the question of U.N. membership as an important item on the agenda which must be promptly solved at the inter-Korean high-level talks.

The attempt of the South Korean authorities for "unilateral U.N. membership" was adamant and this made it clear that it was impossible for the North and the South to share one seat in the U.N. under these circumstances, we have made a decision, as a countermeasure, to independently enter it.

Our decision to join the U.N. is also a patriotic step to surmount the temporary difficulties created by the South Korean authorities' splittist moves and defend the interests of the nation.

Our decision is a reunification-oriented step to prevent the country from being divided permanently into "two Koreas" and defend one Korea.

We made a decision to enter the U.N. to bar the South Korean authorities from abusing the U.N. rostrum in freezing Korea's division after joining it singly and realise national reconciliation and unity on the U.N. rostrum and create a favourable phase for peace and reunification of Korea.

After joining the U.N., we will make sincere efforts to make the North and the South share one seat and, furthermore, change it to a single seat of a reunified state.

Our step to become a U.N. member does not mean the abandonment of the "one Korea" policy we have maintained nor a policy change towards "two Koreas" based on the "recognition of entity" as advertised by the South Korean ruling group.

Unshakable is the stand and will of our party and the DPRK Government to accomplish the cause of national reunification through confederation based on one nation, one state, two systems and two governments, by applying the three principles of national reunification of independence, peaceful reunification and great national unity.

We will invariably maintain the principled stand of one Korea and national reunification and confidently advance for the day of national reunification.

Southerners Urged To Struggle for Democracy

SK1206064191 Pyongyang Korean Central Broadcasting Network in Korean 0007 GMT 10 Jun 91

[NODONG SINMUN 10 Jun Editorial: "Let Us Achieve Democracy in South Korean Society by Waging Pan-National Resistance"]

[Text] In South Korea today, day and night pass amid the explosion of a furious struggle by the people, youths, and students to liquidate the U.S. imperialists' colonial rule and the No Tae-u ring's fascist suppressive rule. The anti-U.S. and antifascist resistance of South Korean youths, students, and people—which erupted again with the perpetration of the barbarous repressive rule of the U.S. imperialists and the No Tae-u ring and the beating to death with iron bars of Myongji University student Kang Kyong-tae—is being further accelerated as they mark the fourth anniversary of the June popular resistance. This is an expression of the firm and invariable will of the South Korean youths, students, and people to expedite at any cost the building of a new society of democracy, which they failed to achieve in the days of the June popular resistance, though they shed much blood.

In June, four years ago, youths, students, and people in South Korea waged a mass uprising to protest the military dictatorial forces which, under the instigation of the U.S. imperialists, blocked people's debates on constitutional revision in a bid to prolong the fascist dictatorial regime and which nominated No Tae-u, a vicious fascist maniac, as a presidential candidate. The flames of the resistance expanded to 37 cities and counties in South Korea, including Seoul, Pusan, Taegu, Kwangju, Mokpo, and Cheju island, and the resistance was participated in by as many as 5 million youths, students, and people from all walks of life.

Under the slogans, "Renounce the schemes to protect the current Constitution," "Let us overthrow the dictatorial regime," Let us drive out the U.S. imperialists," and "Let us achieve national reunification," the participants in the resistance attacked and destroyed puppet police boxes, puppet police stations, government offices, and local branch offices of the ruling party. They also burned U.S. flags and the U.S. President in effigy. Thus, they gallantly struggled. The heroic June popular resistance was a sacred anti-U.S. and antifascist popular resistance to liquidate the colonial military fascist dictatorship and to achieve independence, democracy, and reunification. It dealt a serious blow to the colonial military fascist rule of the U.S. imperialists.

In particular, finding that it was impossible to block the mass struggle of the reunification and democratic forces through brutal repression and that the fascist rule was driven into a corner, the puppets brought about the so-called 29 June declaration for democracy, a deceptive declaration. As the reality of South Korea shows, traitor No Tae-u's 29 June declaration for democracy was not only a tactic of retreat of the dictators—who faced the mass resistance of the reunification and democratic forces—to play for time, but a deceptive scheme designed to soothe the angry people.

In reality, the United States, the actual colonial ruler, is still keeping hold on South Korea, acting as its master, and numerous youths, students, and people in South Korea are shedding blood under the political situation in which repression and massacre are rampant. South Korea has been turned into a land where democracy has been devastated and where fascism is rampant and into a prison of murder, a land which is more terrible and cruel than under the notorious Yusin system and the Fifth Republic regime in the past.

The anti-U.S. and antifascist resistance now being waged by the South Korean people under the slogans, "Oust the U.S. imperialists" and "Sixth Republic regime, resign" is an extension of the June popular resistance in which they could not achieve their cherished desire for democracy, though they shed much blood. It is also a patriotic struggle of justice not only to end the U.S. imperialists' colonial domination and the dictatorial forces' rule by bayonets, but also to achieve independence, democracy, and reunification.

The great leader Comrade Kim Il-song has taught: As long as the U.S. domination in South Korea and their stooge military fascist rule continue, the South Korean people will sternly continue their struggle under the antifascist banner for democracy until they achieve genuine democracy and the country's independence.

The anti-U.S. struggle for independence is a prerequisite to the democratization of South Korean society. The U.S. imperialists are attempting to maintain the brutal military dictatorial regime and to continue their colonial rule permanently. Proceeding from this, the U.S. imperialists are pretending to support the democratization of the South Korean society on the one hand and are egging the puppets on to the perpetration of fascist repression of the reunification and democratic forces in South Korea, on the other hand.

It was none other than the United States which turned Kwangju city into a sea of blood 11 years ago. It was precisely the United States which stole the fruition of the June popular resistance by fabricating the No Tae-u fascist regime. It was none other than the United States which created today's political situation dominated by security affairs and massacre. Therefore, it is clear to everyone that the United States cannot present national sovereignty and democracy to the South Korean people. The U.S. imperialist aggressors are attempting to maintain the fascist dictatorial regime and to block the road of democratic development of the South Korean society at any cost.

It is one of the lessons left by the June popular resistance that the dictatorial regime can be liquidated and the democratization of society can be realized only when the U.S. imperialists are expelled.

By drawing on this lesson, the South Korean youths, students, and people should vigorously continue to wage an anti-U.S., antiwar, and antinuclear struggle to put an end to the aggression and interference of the U.S. imperialists and to make them withdraw their aggression troops and nuclear weapons, holding the anti-U.S. slogan for independence in the foreground.

To achieve the democratic development of South Korean society, it is imperative to eliminate the No Tae-u fascist regime and to establish a genuine democratic regime. The No Tae-u regime is the ringleader of the Kwangju massacre and the vicious strangler of democracy. The No Tae-u ring is a group of devilish fascist murderers who, for the past month alone, have slaughtered or driven into death as many as 20 people from various walks of life, including many patriotic students, by creating a political situation dominated by security affairs and massacre incidents.

In his so-called measures for getting the recent situation under control announced on 28 May, traitor No Tae-u raved about coping with the leftist class and revolution forces and the like. This is tantamount to an open declaration of threat, blackmail, and repression that he will continue to brutally suppress and slaughter the South Korean youths, students, and people advocating independence, democracy, and reunification, branding them as the forces attempting to overthrow the present government system.

With the incident of the acting prime minister being punished by students as an occasion, the puppets are waging a battle of repression in a bid to completely obliterate the patriotic reunification and democratic forces. They have arrested and imprisoned youths, students, and people at random. They have gone so far as to imprison again Rev. Mun Ik-hwan, an aged person of over seventy. The No Tae-u ring, which has gone berserk in perpetrating fascism and dictatorship while renouncing national conscience and reason as human beings, is now attempting to create again such a scene of bloodshed as the Kwangju genocide.

The No Tae-u ring is also employing all sorts of cunning maneuvers to block the advance of the patriotic democratic forces and to establish a stepping-stone for the long-term stay in power of the Democratic Liberal Party by converting the political situation of repression and massacre to a situation dominated by an atmosphere of elections of deputies to the local councils of big cities and provinces.

Reality in South Korea today demands that all the South Korean people who oppose dictatorship and want democracy more gallantly rise up and fight under the slogan "Down with dictatorship." They should not have any delusion about or expectation toward the military dictators. It was none other than No Tae-u's military fascist group that blocked the people's struggle with the deceptive 29 June declaration for democracy. It was also precisely No Tae-u's military fascist group that not only abused the direct presidential election system—which the people had won, shedding blood—for the prolongation of the military dictatorship, but also created the murderous political situation dominated by security affairs while throwing his pledge for democratization away like an old shoe.

The way for independence, democracy, and reunification lies precisely in a constant and uncompromised struggle against foreign forces and the military dictatorship forces. Now—a time when the U.S. imperialists and the No Tae-u ring are gasping for breath, being driven into a corner, and public sentiment is seething with indignation—is the very time for the reunification and democratic forces to firmly unite and wage a more active struggle without the slightest degree of trepidation and hesitation.

The South Korean youths, students, and people will continue the struggle that they have already started to the end under the slogans, "Oust the U.S. imperialists," "Down with the present regime," and "Present regime, resign." Recently, university students from the Seoul District Federation of General Student Council [Sochongyon] held a Seoul district 400,000-student struggle rally to put an end to the suppressive rule of the No Tae-u ring. The National Council of University Student Representatives [Chondaehyop] recently held its fifth struggle-launching rally and, there, decided the struggle against nuclear weapons and for disarmament and for U.S. forces' withdrawal as the goal of this year's students' movement. This is an expression of the firm will of the South Korean people to liquidate the colonial military dictatorial regime and to achieve independence, democracy, and reunification at any cost.

The U.S. imperialists' colonial rule in South Korea is shaken from its bottom. The Sixth Republic regime of the No Tae-u ring is drawing its last breath on its deathbed. The U.S. imperialists should renounce their anachronistic policy of occupying South Korea and should withdraw from South Korea at once before it is too late.

The No Tae-u ring should renounce the foolish delusion of trying to maintain power by brutally wielding its bayonets before the people, should step down from power as called for by the people, and should come to the site of the people's justice. It is the inevitablity of history that fascist dictators are destined to perish and the just cause of the popular masses is victorious. By holding aloft the flames of the second June popular resistance the South Korean youths, students, and people will put an end to the colonial, military, and fascist rule of the U.S. imperialists and the No Tae-u ring and will, thus, build without fail the new society of democracy that they desire.

Vice Premier Kim Tal-hyon Arrives in Manila

SK1206001091 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 10 Jun 91

[Text] Kim Tal-hyon, vice premier and chairman of the External Economic Affairs Committee, and his company arrived in Manila, capital of the Philippines, on 8 June. They were received at the airport by Jose de Venecia, acting chairman of the Foreign Relations Committee of the House of Representatives of the Philippines; and (Miguel Romelo), vice chairman of the (?Appointment) Committee of the House of Representatives.

Meets With Philippines President

SK1206011491 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 11 Jun 91

[Text] On 11 June, Corazon Aquino, president of the Philippines, met Kim Tal-hyon, vice premier and chairman of the External Economic Affairs Committee, and his company which is visiting this country.

During the meeting, the vice premier conveyed greetings to President Corazon Aquino from the great leader Comrade Kim Il-song. The president expressed deep gratitude for this and asked the vice premier to convey her warm greetings to the great leader Comrade Kim Il-song.

The president talked about the issue of developing relations between the two countries of the Philippines and Korea and said that since the Korean reunification issue is an internal issue she hopes this issue can be resolved by the Koreans themselves.

She said that she prays for the long life of the great leader His Excellency Kim Il-song and for the success in his work for the nation's prosperity.

Reunification Issue Discussed

SK1206044091 Pyongyang KCNA in English 0414 GMT 12 Jun 91

[Text] Pyongyang June 12 (KCNA)—Philippine President Corazon Aquino Tuesday met Kim Tal-hyon, vice-premier and chairman of the External Economic Commission, and his party on a visit to her country.

After referring to the question of developing the relations between the Philippines and Korea, she stated that the problem of Korean reunification, being an internal affair of Korea, should be resolved by the Koreans themselves.

She wished the great leader President Kim Il-song good health and long life and success in his work for the country's prosperity.

The conversation took place in a friendly atmosphere.

Tanzanian Delegation Arrives in Pyongyang 11 Jun

SK1106155091 Pyongyang KCNA in English 1539 GMT 11 Jun 91

[Text] Pyongyang June 11 (KCNA)—A delegation of the Revolutionary Party of Tanzania led by secretary general of the party Horace Kolimba arrived here today to visit Korea at the invitation of the Central Committee of the Workers' Party of Korea [WPK].

It was met at the airport by Kye Ung-tae, member of the Political Bureau and secretary of the WPK Central Committee, and officials concerned.

Attends WPK Committee Reception

SK1206060991 Pyongyang KCNA in English 0508 GMT 12 Jun 91

[Text] Pyongyang June 12 (KCNA)—The Central Committee [C.C.] of the Workers' Party of Korea [WPK] hosted a reception Tuesday in honor of the visiting delegation of the Revolutionary Party of Tanzania led by its Secretary General Horace Kolimba.

Kye Ung-tae, member of the Political Bureau and secretary of the C.C., the WPK, made a speech.

He expressed the belief that the Korean visit of Secretary General Horace Kolimba will mark an important occasion in steadily strengthening in keeping with today's conditions and circumstances the friendly and cooperative relations between the two parties and two countries which have developed favourably day by day through several meetings between the great leader Comrade Kim Il-song and esteemed Comrade Julius K. Nyerere and Comrade Ali Hassan Mwinyi.

The Revolutionary Party of Tanzania under the correct leadership of President Ali Hassan Mwinyi is now leading the Tanzanian people to continue making a vigorous progress along the road of socialism and self-reliance they chose by themselves by strengthening the party and enhancing its leadership role in conformity with the specific conditions of Tanzania, Kye Ung-tae said, adding: Our party highly estimates such unshakable stand and activity of your party and extends full support and solidarity to it.

No matter how difficult and complex the situation may get, we will strengthen the bonds of friendship, unity and cooperation with the Revolutionary Party of Tanzania in maintaining the party's leadership and advancing along the road of socialism. This will be an inspiration to the people of the developing countries for indepedence against imperialism, for a new society and socialism.

Speaking next, Secretary General Horace Kolimba said that Tanzania and the Democratic People's Republic of Korea are good fellow-travellers on the road of development.

He said that the efforts made by the DPRK for the development of South-South cooperation have won admiration of the Tanzanian people.

The Revolutionary Party and people of Tanzania are glad that the Korean people are advancing shoulder to shoulder with us in the struggle to liquidate racism in South Africa, he noted, adding:

We pay regards to the great leader Comrade Kim Il-song and the entire Korean people in their endeavours for the reunification of the country.

Availing myself of this opportunity, I assure you that Tanzania will support as ever the struggle of your people.

We note with appreciation that the great leader Comrade Kim Il-song indicates most clearly the position and role of the developing countries and the road to be followed by them.

Dismantlement of U.S. Base on Libya Day Noted

SK1106113891 Pyongyang KCNA in English 1023 GMT 11 Jun 91

["Papers Observe Day of Dismantlement of U.S. Military Base in Libya"—KCNA headline]

[Text] Pyongyang June 11 (KCNA)—Papers here today dedicate articles to the 21st anniversary of the dismantlement of the U.S. military base in Libya.

The dismantlement of U.S. military base by the Libyan people in their land showed their will to defend the revolution and build an independent, prosperous new Libya, a by-lind article of NODONG SINMUN says, and continues:

The U.S. imperialists have not given up their wild ambition to dominate Libya since they were driven out of this country. They are continuing economic sanctions against Libya with a view to economically stifling it and are openly committing military intervention. They are trying to strangle the revolution in anti-imperialist independent Libya, regarding it as a thorn in the flesh.

With no manoeuvrings can the U.S. imperialists bring the Libyan people to their knees, however.

The Libyan Arab people under the leadership of Colonel Mu'ammar al-Qadhdhafi, leader of the Great September First Revolution, are waging a powerful struggle to defend the sovereignty of the country and the dignity of the nation against the U.S. continued moves of aggression and intervention.

The Korean people congratulate the Libyan Arab people upon their significant day of the dismantlement of the U.S. military base and wish them greater success in their future efforts for the accomplishment of the cause of justice.

A signed article of MINJU CHOSON stresses that the Korean people extend firm solidarity with the Libyan Arab people in their struggle against the U.S. continued moves of aggression and interference.

Memorial Service for Father of Kim Il-song Held

SK1206085091 Pyongyang Korean Central Broadcasting Network in Korean 1225 GMT 5 Jun 91

[Excerpt] The Pyonyang city memorial service marking the 65th anniversary of the death of Mr. Kim Hyong-chik, who was an indomitable revolutionary fighter and outstanding leader of the anti-Japanese national liberation movement of our country, was held at the People's Palace of Culture on the afternoon of 5 June.

A red banner and a streamer reading "1926-1991" were hung in the background of the platform.

The memorial service was attended by functionaries of the party, organs of power, administrative and economic organs, public organizations, and central organs, by general grade officers of the Korean People's Army [KPA], by anti-Japanese revolutionary warriors, by bereaved families of fallen revolutionary patriots, by functionaries of the domains of science, education, culture, arts, health, and publication, by working people of the city, and by KPA soldiers.

The memorial service was attended also by members of many visiting groups of overseas compatriots who were on visits to the socialist fatherland.

The platform was taken by Comrade Yon Hyong-muk, member of the Political Bureau of the Central Committee of the Workers Party of Korea [WPKCC] and premier of the Administration Council; Comrades Yi Chong-ok and Pak Song-chol, members of the WPKCC Political Bureau and vice presidents; Comrades Kye Ung-tae and Chon Pyong-ho, members of the WPKCC Political Bureau and secretaries of the Party Central Committee; Comrade Choe Kwang, member of the WPKCC Political Bureau and chief of general staff of the KPA; Comrade Choe Tae-pok, alternate member of the WPKCC Political Bureau and secretary of the Party Central Committee; Comrade Hong Song-nam, alternate member of the WPKCC Political Bureau and vice premier of the Administration Council; Comrade Kim Chol-man, alternate member of the WPKCC Political Bureau; Comrades Kim Pok-sin and Kang Hui-won, alternate members of the WPKCC Political Bureau and vice premiers of the Administration Council; Comrades Kim Chung-nin, Yun Ki-pok, and Hwang Chang-yop, secretaries of the WPKCC; Comrades Kim Chang-chu and Chang Chol, vice premiers of the Administration Council; Yang Hyong-sop, chairman of the Supreme People's Assembly; Yi Kye-paek, chairman of the Central Committee of the Korean Social Democratic Party; Chong Sin-hyok, chairman of the Central Committee of the Chondoist Chongu Party; and responsible functionaries of the party, organs of power, and working organizations, and other functionaries concerned. [passage omitted]

Anti-Japanese Independence Movement Commemorated

SK1006154391 Pyongyang KCNA in English 1514 GMT 10 Jun 91

[Text] Pyongyang June 10 (KCNA)—A Pyongyang meeting commemorating the 65th anniversary of the June 10 anti-Japanese independence movement was held at the People's Palace of Culture today.

Present there were Kang Hui-won, alternate member of the Political Bureau of the Central Committee [C.C] of the Workers' Party of Korea and vice-premier of the Administration Council; Chang Chol, vice-premier of the Administration Council; Yi Kye-paek, chairman of the C.C., the Korean Social Democratic Party; Chong Sin-hyok, chairman of the C.C., the Chondoist Chongu Party; and other senior officials.

Yom Tae-chun, presidium member of the C.C., the Democratic Front for the Reunification of the Fatherland, made a report.

The massive anti-Japanese independence movement on June 10, 1926 was an eruption of the pent-up [word indistinct] and wrath of the Korean people at the Japanese imperialist aggressors, the reporter said, and continued:

That day, hundreds of thousands of people in Seoul took to the streets in defiance of the Japanese imperialists' brutal suppression and waged anti-Japanese demonstrations in various places, chanting such slogans as "Long live the independence of Korea!", "Japanese troops, get away!" and "Korean independence fighters, unite!" and scattering many copies of an appeal and literatures.

Through the anti-Japanese independence movement, the Korean people powerfully demonstrated at home and abroad once again their indomitable will and patriotic spirit not to allow the Japanese imperialists' occupation of Korea and their colonial rule.

65 years have passed since the June 10 independence movement, but the South Korean people have not yet been freed from the colonial yoke of foreign imperialists.

Recalling that the No Tae-u ruling group which had driven the whole land of South Korea into "security-oriented political situation" and "murderous political situation" committed the bestial brutality of murdering students in demonstrations in succession and committed without hesitation the outrage of taking Rev. Mun Ik-hwan back to prison, the reporter stressed:

It is the U.S. imperialists who have caused the fascist violence in South Korea today. They are making desperate efforts to save the No Tae-u military fascist regime from the worst political crisis.

Noting that the Japanese militarists are adding new calamities to the calamities imposed upon the Korean people in the period of their 36-year long colonial rule over Korea, the reporter said:

The Japanese authorities must atone for the crimes they committed against the Korean people in their 36-year-long colonial rule and in the 45 years after the liberation.

They, however, failed to show an attitude of atonement but are creating artificial difficulties by raising irrelevant matters even today when intergovernmental talks for the normalization of DPRK-Japan diplomatic relations have begun according to a joint declaration of the Workers' Party of Korea, the Liberal Democratic Party and the Social-Democratic Party of Japan.

At the third round of the talks held some time ago, the Japanese side put as a precondition for the normalization of diplomatic relations the problem of nuclear inspection which has nothing to do with the normalization of diplomatic relations and brought forward the question of the whereabouts of an unidentified Japanese woman, thus putting a spoke in the wheel of the talks.

The Japanese Government must approach the talks with sincerity, not creating artificial difficulties in the way of the DPRK-Japan talks.

The situation prevailing in South Korea today urgently demands that the people overthrow the bulwark of the colonial fascist rule of the U.S. imperialists and their stooges with a more active mass resistance and achieve the sovereignty of the nation and democracy.

The South Korean students and people, holding ever higher the banner of the anti-U.S. struggle for independence and the anti-fascist struggle for democracy and for national reunification, must raise fierce flames of resistance to develop the May struggle to a new June resistance and fight courageously till their demands are met.

'New Materials' on Korean War Battles Found

SK1006155491 Pyongyang KCNA in English 1531 GMT 10 Jun 91

[Text] Pyongyang June 10 (KCNA)—New materials on battles of officers and men of the Korean People's Army and the Korean People's security forces in the period of the fatherland liberation war (June 25, 1950-July 27, 1953) continue to be discovered.

The newly discovered and ascertained data give detailed accounts, by order of date, of major battles, courses of movements and battle results of various units of the Korean people's security forces in Inchon and Seoul from September 13 to 28, 1950.

These materials have been ascertained on the basis of diaries and publications of the frontline guard command in those days and memoirs of more than 60 commanding officers and men who directly commanded or fought valiantly in the battles to defend Inchon and Seoul. The U.S. imperialist aggressors who fled to the southern tip of the Korean peninsula in a debacle on the front tried to capture Seoul by landing in Inchon while making desperate attack on the Yakdong River line, and "encircle and annihilate" main units of the People's Army in coordination with the ground force units coming from the Yakdong River line and then occupy the whole area of the northern half of Korea.

Seeing through the enemy's attempt, the respected supreme commander Comrade Kim Il-song saw to it that defence was strengthened on the Yakdong River line and set three defence lines and seven defence districts in Inchon and Seoul and reinforced units of the guard forces. He gave instructions from time to time, which would be as strategic and tactical guideline for the frontline guard command to organize the defence battles on its own responsibility.

The materials include data telling that soldiers of unit of the frontline guard command defended Inchon four days from September 13 to 16 by death-defying battles with the U.S. imperialist aggressors who were superior in strength at the Inchon port and in Inchon City and they inflicted heavy casualties upon the enemy and sank or damaged over 10 warships, including landing crafts and shot down airplanes.

They include data about defence battles waged by units of the people's security forces at the approaches to Seoul, their battle to defend Seoul and about how they checked the enemy's attempt to block the retreat route of the People's Army to the Yonchon and Kumhwa lines by barring the enemy's advance into Chongam-tong and Miari Line which were waged from September 17 and 28.

Also ascertained are battle results of 16 days when units of the people's security forces waged battles to defend Inchon and Seoul, sinking or damaging 20 warships, landing crafts and river-crossing crafts of the enemy, shooting down six warplanes and destroying nearly 50 tanks, armoured cars and amphibious vehicles, capturing many combat technical equipment including 50 guns of different types, 2,350 weapons of all kinds and killing and taking prisoners 8,190 enemy soldiers.

Chuche Said Needed for Building Socialism

SK1006152691 Pyongyang KCNA in English
1503 GMT 10 Jun 91

["Maintaining Chuche-Based Stand is Basic Demand for Building Socialism for the People"—KCNA headline]

[Text] Pyongyang June 10 (KCNA)—NODONG SINMUN today comes out with an article headlined "Maintaining Chuche-Based Stand is Basic Demand for Building Socialism for the People." The article quotes the dear leader Comrade Kim Chong-il as saying:

"In order to build socialism centred on the popular masses, we must hold a revolutionary stand which enables the masses to maintain their position as the masters of the revolution and construction and play their role as such."

It goes on:

As dear Comrade Kim Chong-il taught in his work "Our Socialism for the People Will Not Perish" published on May 5, 1991, in order to build socialism centred on the popular masses, we must adhere to the chuche-based stand which enables the masses to hold their position as the masters and play their role as such, in other words, the independent stand and creative stand.

In order to build socialism centred on the popular masses, we must, first of all, maintain the independent stand.

The independent stand is the stand for the masses to maintain their independent position as the masters of the revolution and construction and of their own destiny; the basic requirement of this stand is to exercise the right as the masters of the revolution and construction and fulfill their responsibility as such.

Exercising the right as the masters in socialist construction means dealing with all matters arising in socialist construction by their own decision and judgement so as to satisfy their interests.

The people of each country should resolve all the problems in socialist construction according to their own judgement and decision.

If the popular masses fail to deal with their matters by their own decision under certain pressure and interference, they will be deprived of their right as the masters. The right to independence can be guaranteed and realized only when the popular masses win it and defend it by their own struggle as the masters of their own destiny.

The independent stand calls for exercising the right as the masters while fulfilling their responsibility as such.

To build socialism according to one's own independent view and faith and in the revolutionary spirit of self-reliance anytime under any circumstances, firmly keeping the independent stand, is the most correct stand which enables one to successfully build socialism centred on the popular masses. In order to build socialism centred on the masses, we must also maintain the creative stand.

The creative stand is a stand for the popular masses to play their role as those who transform nature and society and shape their own destiny. The basic requirement of this stand is to believe in the inexhaustible creative power of the masses and solve all problems by creative means by relying on the creativity of the masses.

In order to give a strong impetus to socialist construction, we must adhere to the attitude of fostering the creativity of the masses and enhancing their creative role.

What is important in maintaining the creative stand is also to solve all the matters in the revolution and construction creatively. In socialist construction one must always adhere to the attitude of resolving every problem to suit the specific conditions of one's country.

Only when the chuche-based stand, the independent stand and creative stand are firmly maintained can socialism centred on the popular masses be built successfully. This is a precious truth which is proven by the practical experience gained in our revolution.

Our party and people have advanced the revolution and construction victoriously without the slightest turns and twists and built the superior socialism centred on the popular masses. The secret of this lies in consistently maintaining the independent stand and creative stand.

Daily Says Socialism Based on Great Politics

SK1206120091 Pyongyang KCNA in English 1045 GMT 12 Jun 91

["Our Socialism Based on Great Politics Under the Leadership of the Party and the Leader Will Not Perish"—KCNA headline]

[Text] Pyongyang June 12 (KCNA)—NODONG SINMUN today comes out with a signed article entitled "Our Socialism Based on Great Politics Under the Leadership of the Party and the Leader Will Not Perish."

The article says:

In Korea today, the leader, the party and the masses are firmly united and the advantages of our socialism are brought into full [word indistinct] this is a precious result of great politics.

Respected Comrade Kim Il-song is a great statesman who enforces true politics for the people.

The dear leader Comrade Kim Chong-il said:

"Respected Comrade Kim Il-song is a great thinker and theoretician who has evolved the immortal chuche idea, and a great statesman who has been guiding our people wisely along the untrodden path of socialism and communism under the difficult and complex circumstances in which we are in direct confrontation with U.S. imperialism."

Respected Comrade Kim Il-song is a great leader of the people and a distinguished statesman of our time, peerless in our people's history spanning thousands of years.

The politics for the people enforced by him is a great politics of leading the destiny of the people in a responsible manner, a politics full of love of and trust in the people. Love of the people is a natural disposition of the great leader Comrade Kim Il-song.

His politics shines as a politics for the people in that he solves every problem with love of the people.

It is thanks to his politics for the people that all people in our country are evenly well off with no worries about food, clothing and housing and study as much as they like all their life and enjoy good health and longevity. Thanks to this politics of trust and love of the people, all people in our country absolutely trust the party and the leader and live in harmony, helping and leading one another forward under the motto "One for all and all for one!"

Comrade Kim Il-song is the leader of the people who is possessed of the noblest qualities and gifts as a great statesman.

He is a great thinker and theoretician and a most experienced statesman who has paved the untrodden path of modern politics with extraordinary wisdom, scientific insight, noble communist virtues, profound revolutionary theories and gigantic revolutionary practice.

The fundamental question in modern politics is how to build socialism.

The path of socialism must be taken in order to enable the people to shape their destiny successfully and enjoy an independent and creative life. The essence of the politics for the people is to frustrate the challenge of the imperialists and continue to bring the advantages of socialism into full play. The respected leader Comrade Kim Il-song is wisely leading the efforts to bring the advantages of our socialism into full play under the revolutionary banner of socialism. Our socialism is constantly being consolidated with a greater attraction and vitality on the basis of independence, self-sufficiency and self-reliance in national defence without the slightest vacillation in any storm and stress.

Comrade Kim Il-song always clearly indicates the way for shaping the destiny of the people with an extraordinary ideological and theoretical wisdom and scientific insight.

The chuche idea is his political philosophy. He works out the lines, strategy and tactics of the revolution and construction on the basis of the chuche idea and leads the revolution by believing in the strength of the people and mobilizing their creative initiative. It is because he lays down the strategy and tactics with the chuche idea as the guiding principle that man-centred socialism, the embodiment of the chuche idea, has been built and politics for the people is in force in our country.

Thanks to Comrade Kim Il-song, the theories of the anti-imperialist, national-liberation revolution, the anti-feudal democratic revolution and the socialist revolution have been systematized in an all-round way and the theory of building socialism and communism has been perfected in a comprehensive way from a new angle. The communist revolutionary theory embodying the chuche idea is a revolutionary theory evolved with the working masses in the centre and the strategy and tactics of the revolution based on their role.

Comrade Kim Il-song has built the powerful driving force of the revolution and is consolidating it with a skillful organisational ability and tested leadership.

He devotes his all to the people with noble communist virtues.

The greatness of his politics for the people is supported by his noble virtues as a people's leader who boundlessly loves the people and devotes his all to the people.

The future of our socialism based on great politics is endlessly bright.

Our people see their happy life and bright future in the guidance of the party and the leader and are firmly convinced that they can certainly accomplish the chuche cause as long as they are under the politics of a great leader.

KCNA Review of 12 Jun Pyongyang Press

SK1206060791 Pyongyang KCNA in English 0515 GMT 12 Jun 91

[Press review]

[Text] Pyongyang June 12 (KCNA)—Papers here today carry a photo-accompanied report that the great leader President Kim Il-song received the delegation of the National People's Congress of China and the delegation presented a gift to the dear leader Comrade Kim Chong-il.

NODONG SINMUM informs the readers that seminars on works of President Kim Il-song have been held in foreign countries and the work of Comrade Kim Chong-il "Our Socialism for the People Will Not Perish" continues to be reported abroad.

Papers deal with the brilliant revolutionary life and noble exploits of Comrade Kim Chol-chu, an immortal communist revolutionary fighter, on the occasion of his 75th birthday.

NODONG SINMUM dedicates nearly one whole page to an article titled "Our Socialism Based on Great Politics Under the Leadership of the Party and the Leader Will Not Perish".

The paper prints an editorial entitled "Nuclear Danger Must Be Quickly Removed From the Korean Peninsula and the Asian Region" on the publication of a joint statement of political parties and organizations of the Democratic People's Republic of Korea.

Papers report that innovations have been effected in the production of daily necessities and weeding is being done qualitatively in time in the countryside.

Given in NODONG SINMUM is news of the arrival in Pyongyang of a delegation of the Revolutionary Party of Tanzania led by its Secretary General Horace Kolimba and a reception arranged by the Central Committee of the Workers' Party of Korea for the delegation and a speech made by the secretary general at the reception and accounts of the sojourn of the delegation of the National People's Congress of China and a delegation of the American Friends Service Committee in Korea.

The Filipino president met Kim Tal-hyon, vice-premier and chairman of the External Economic Commission, says the paper.

It informs the readers of the formation of the group for the study of the chuche idea at university of Namibia.

Carried in the press is a statement made public by Kim Hwi-won, ex-chairman of the Kangwon Provincial District Party Committee of the "Reunification Democratic Party" of South Korea and central permanent member of the "Democratic Liberal Party", at a press conference in Pyongyang Tuesday on his decision to settle down in the northern half of the country. The press reports that meetings were held at universities and factories to denounce the murder and brutal repression committed by the United States and the South Korean authorities against students. Seen in the press is a statement issued by the president of Kim Chaek University of Technology in this connection.

In a commentary NODONG SINMUM condemns U.S. imperialist aggressor troops for committing murder, robbery, rape and other kinds of crimes.

Included in the South Korean news columns of the paper are reports that organisations and the president of an opposition party of South Korea denouncing the reimprisonment of the Rev. Mun Ik-hwan and trade union leaders attempted self-immolation in protest against suppression of trade unions by the authorities.

An article of the paper says that the DPRK's decision to enter the United Nations is an independent and patriotic step for reunification.

According to the paper, a lecture was given at the Asian regional institute of the chuche idea on the DPRK's decision to join the United Nations.

Echoed in the paper are world public voices demanding the withdrawal of nuclear weapons from South Korea. The U.S. papers LOS ANGELES TIMES and INTERNATIONAL HERALD TRIBUNE and REUTER reported articles concerning the withdrawal of the U.S. nuclear weapons from South Korea, says the paper.

It is reported in the press that Chinese President Yang Shangkun visited Indonesia and the Guinean president elaborated on the building of peculiar democracy of Guinean style.

International news columns of NODONG SINMUM include reports that a leading official of the Taiwan affairs office of the Central Committee of the Communist Party of China referred to the question of reunification of the country, the vice-chairman of the Revolutionary Party of Tanzania declared that his party does not welcome the multiparty system, the Egyptian paper AL AHRAM exposed the tie-up between the United States and Israel and the participants in an assembly meeting of the western European union criticised the United States.

MINJU CHOSON introduces the Philippines.

South Korea

North Reportedly Walks Out on IAEA Meeting

SK1206023691 Seoul CHOSON ILBO in Korean 11 Jun 91 p 2

[By correspondent Yim Tong-myong from Vienna]

[Excerpt] A meeting of the Board of Governors of the International Atomic Energy Agency [IAEA] opened in Vienna at 1500 on 10 June. The entire North Korean delegation, which was attending this meeting as an observer, walked out when the Japanese representative began to ask North Korea to clarify details of the nuclear safeguards accord which North Korea had said it would sign.

Japanese Ambassador Endo asked the North Korean side whether it will ultimately choose to adopt a letter of agreement identical to the IAEA's standard text on safeguards; whether it will present this letter of agreement to the September Board of Governors meeting; whether it will subscribe to this letter of agreement without conditions after this letter is approved at the Board of Governors meeting; whether it will notify the IAEA that the letter will go into effect without conditions right after it signed the letter; and whether it will unexceptionally subject all its activities concerning atomic energy to IAEA inspection.

The North Korean delegation walked out right after Ambassador Endo began to speak, as if it already knew what the Japanese ambassador was going to say. Representatives of Australia, Canada, and other countries spoke in support of the Japanese ambassador's remarks.

It was learned that the North Korean side previously told IAEA Director General Hans Blix that North Korea would "reconsider our decision to sign the nuclear safeguards accord if the IAEA passes a resolution" urging North Korea to sign the nuclear safeguards accord and accept nuclear inspection. As a result, it is believed that there will be serious difficulty over the passage of this resolution on North Korea. [passage omitted]

Envoy Urges 'Simultaneous' Nuclear Inspection

SK1206033691 Seoul YONHAP in English 0302 GMT 12 Jun 91

[Text] New York, June 11 (YONHAP)—Pak Kil-yon, head of North Korea's U.N. observer mission, called Tuesday for simultaneous inspection of nuclear facilities in South and North Korea.

Pyongyang opposed production, storage and deployment of nuclear weapons and wanted to see such arms scrapped, Pak told a news conference at U.N. Headquarters.

It would be unfair if international inspection applied only to North Korea, which did not have nuclear arms, Pak said, arguing that the nuclear facilities of the American forces in South Korea should be inspected at the same time.

This is in sharp contrast with North Korean Roving Ambassador Chin Chung-kuk's statement in Vienna that Pyongyang would sign the International Atomic Energy Agency's safeguards accord without any conditions, even the withdrawal of nuclear weapons from South Korea.

Chin, in Vienna to attend the IAEA Board of Governors meeting, said his government's decision to sign the accord followed a U.S. delegation's guarantee in Pyongyang last month that America would not use nuclear weapons against North Korea.

A U.S. State Department spokesman denied such a guarantee had been given and said the delegation was from the Asia Society and did not represent the U.S. Administration. The delegation, consisting of former officials and scholars, visited Seoul and Pyongyang last month.

North Korea's nuclear capability has emerged as one of the hottest subjects of debate in East Asia as it refuses to open its nuclear facilities to international inspection although it signed the Nuclear Non-proliferation Treaty [NPT] in December 1985.

An NPT signatory is required to sign the IAEA safeguards accord within 18 months of joining and open its nuclear facilities and capability to IAEA inspection, but North Korea has not yet signed the accord.

Meanwhile, asked if he and South Korean U.N. mission chief No Chang-hui had discussed U.N. entry, Pak said he had had unofficial contacts with No but had no plans to meet him.

Both South and North Korea have observer status at the United Nations and say they will apply for separate membership this year.

Pak said the North would submit its application at the most appropriate time and there was little possibility of South and North filing their applications together as there has been no consultation on the matter.

No told YONHAP he would soon hold comprehensive talks with Pak on the issue of U.N. entry.

In a surprise turnaround, North Korea dropped its opposition to separate U.N. membership and announced on May 28 that it would file a separate application. South Korea has long argued for simultaneous yet separate U.N. membership for the two sides as an interim measure until national reunification.

Korea was divided into the capitalist South and communist North at the end of World War II in 1945.

North UN Official on Acceptance of Inspection

SK1206040991 Seoul HANGUK ILBO in Korean 12 Jun 91 p 1

[By reporter Song Hye-ran from New York]

[Text] Ho Chong, deputy permanent observer to the North Korean mission to the United Nations, has confirmed remarks by North Korean envoy Chin Chung-kuk that under the principle of fulfilling its international duties, North Korea is willing to unconditionally receive the International Atomic Energy Agency's [IAEA] nuclear inspection.

Ho said during a telephone interview that because discussions have been under way in the United States on turning the Korean peninsula into a nuclear-free area, he expects that the U.S. side will take a corresponding measure to North Korea's acceptance of nuclear inspection.

Referring to the nuclear reprocessing facilities in Yongbyon, he said that the matter of which facilities will be subjected to nuclear inspection will be decided after sufficient consultations with the IAEA. He stressed that it is time for the United States, which holds the key to the issue concerning nuclear weapons on the Korean peninsula, to take concrete action.

* Joint Check of Korean Nuclear Facilities Urged

912C0179A Seoul MAL in Korean No 3, 1 Mar 91 pp 52-57

[Article by Hangyore Social Research Institute: "Rudimentary Report for Joint Investigation of North and South Korean Nuclear Facilities"]

[Text]**U.S.-North Korea Controversy Over Nuclear Facilities on Korean Peninsula**

Since the world entered the "post-cold war era" following the December 1989 U.S.-USSR agreement in Malta to terminate the cold war, the concomitant process of disarmament, particularly, nuclear disarmament, has been in progress. Nevertheless, the U.S.-USSR agreement on the termination of the cold war has not necessarily led to the securing of world peace. In many parts of the world, the arms race and international tension continue to multiply. The current Gulf War may be said to be a dramatic reflection of this situation. The fact that the Korean peninsula typifies this situation cannot but be an unfortunate thing for our people.

On the surface the cold war appears to be receding considerably on the Korean peninsula as elsewhere. To cite some examples, in November 1990 the leaders of South Korea and the Soviet Union agreed to include in their "Moscow Declaration" a provision spelling out their position "against the use of force." There have been talks between North and South Korean authorities to discuss the question of easing political and military tensions between North and South, and another around, the fourth, is scheduled to be held shortly. North Korea is engaged in negotiations with Japan to put an end to their long-standing abnormal relations.

However, despite all these surface developments, there have been no substantive results in the direction of ending the cold war and achieving stable peace on the Korean peninsula. North and South Korea have not even signed a "nonaggression declaration" yet. There is rather a tendency toward increasing efforts to introduce the latest weapons systems. There has been no progress in U.S.-North Korean negotiations on rapprochement either.

Charging in particular that North Korea has been pushing ahead with the development of nuclear weapons, the United States recently spelled out its position that until North Korea signs a nuclear security agreement with the International Atomic Energy Agency [IAEA] there will be no improvement in U.S.-North Korean relations. In concert with the United States, South Korea has come out to emphasize that the joining of North Korea in the international nuclear safety agreement is a decisive factor in improving North-South relations. North Korea is delaying its participation in the nuclear safety agreement while demanding that the United States guarantee that it will make no nuclear threat to North Korea and that the nuclear facilities in North Korea and the nuclear weapons of the U.S. forces in South Korea be inspected simultaneously. This inspection issue has emerged as one of the most important divisive issues on both sides of the armistice line.

In the final analysis, a sincere effort to solve the nuclear weapons issue is also the key to breaking the stalemate in inter-Korean relations. Given the explosive nature of nuclear weapons, the distrust and antagonism between the two sides over this issue is even fraught with the immanent danger of causing a decisive rupture in inter-Korean relations.

We firmly believe that materializing joint inspection of nuclear facilities in the North and South will be part of a sincere effort to remove the current crisis centering on the nuclear weapons issue. Joint inspection will meet the demand of both the U.S. and ROK Governments for an inspection of the North Korean nuclear facilities, a demand which stems from fears of North Korea's nuclear weapons development potential, and at the same time, will mark an initial step toward mollifying North Korea's anxiety about the nuclear weapons of the U.S. forces in the ROK, by making the stockpile of these weapons more "clear" to outsiders.

U.S. Nuclear Bases in South Korea, Fiction of Nuclear Deterrence Policy

From the position of keeping its nuclear weapons secret by "neither confirming nor denying" their presence, the United States has been refusing to acknowledge the presence of its nuclear weapons [in South Korea], but that presence is an established fact. During the Carter administration, U.S. officials stated, in reference to its policy of withdrawing U.S. forces from South Korea, that the U.S. nuclear weapons would be withdrawn, and this statement was tantamount to an acknowledgment of the presence of U.S. nuclear weapons in Korea.

This notwithstanding, the U.S. Government has made no announcement concerning the number of nuclear weapons or the condition of the nuclear bases. The only available information was those pieces of information which American and Australian private military affairs research institutes gleaned by taking advantage of the U.S. Freedom of Information Act. In the analyses made by these institutes, Professor Peter Hayes assessment is widely used despite some degree of discrepancy, because it is comparatively current and more concrete than any other assessment. (See the attached table)

Despite its refusal to confirm the presence of the nuclear weapons of the U.S. forces in Korea, the United States is explaining that the ROK is under its nuclear umbrella, which it says is aimed at deterring aggression from North Korea. In connection with the U.S. conception of nuclear deterrence, there is an ongoing controversy over the question of whether the deterrence is defensive or offensive in nature. For instance, referring to the nuclear weapons brought out in the Team Spirit exercise, North Korea charged that this exercise was intended as a nuclear attack exercise against the North, whereas the ROK and U.S. Governments maintained that Operation Team Spirit was purely defensive in nature.

The concept of deterrence is another form of expression for an offensive defense strategy. In other words, it is the idea of possessing an offensive war capability like a nuclear arsenal and threatening to use it against the adversary in order to prevent war from actually breaking out. However, this idea necessarily presupposes a plan to use nuclear weapons, particularly a preemptive nuclear strike plan. The mere fact of possessing nuclear weapons itself cannot pose a real threat to the adversary. This is because only when an intention to actually use nuclear weapons, particularly, an intention to mount a nuclear attack even against an attack with conventional weapons, is shown, only when a war plan is worked out and war games are conducted according to this plan, only then will the effects of "deterrence" become real. In the past the United States persistently refused to assure not only North Korea but also the world at large that it would refrain from a preemptive nuclear strike, by also claiming that the purpose was to deter a conventional war.

The "air-land war doctrine" which began to be applied to the Korean peninsula after the 1983 "Team Spirit" exercise most abundantly reveals the nature of this offensive defense strategy. This doctrine calls in case of war for simultaneous air, land, and naval strikes not only on the front line but also the enemy's rear areas, in order to destroy his military command center, reserve war potential, supply routes, and communications network. The air-land doctrine, adopted in the 1982 U.S. Army manual, presupposes the use of high-intensity hardware, particularly nuclear weapons, in strikes against the rear; and as a matter of fact, F-15 and F-4E fighter-bombers used in Team Spirit exercises are capable of carrying nuclear bombs.

The explanation that the nuclear weapons possessed by the U.S. forces in South Korea are exclusively for defense purposes exposes the danger immanent in the concept of deterrence itself. Moreover, defensive nuclear weapons like nuclear mines, as long as they are of the nature of a mass destruction weapon, complement, in conjunction with offensive nuclear weapons, the nuclear warfare plan of the U.S. forces in South Korea.

Are North Korea's Yongbyon Nuclear Facilities for Industrial or Military Use?

Reportedly, it was in early 1980 that the United States began to delve into the issues revolving around North Korea's nuclear weapons development. But, the June 1986 ABC Television report was the first full-scale probe into the matter. This and subsequent U.S. press reports may have been a spin-off of the press game played by the U.S. intelligence organizations. In July 1989, the WASHINGTON POST reported that "a U.S. military satellite discovered two nuclear facilities under construction in Yongbyon, 96 kilometers north of Pyongyang, and that these facilities appeared to contain plutonium reprocessing facilities." This report brought the issue of North Korea's nuclear weapons development to the forefront of the international stage. Two months later, a report by the technological information center at Tokai University stirred a tremendous repercussion in South Korea by claiming that its analysis of the infrared pictures taken by SPOT, the French earth resources satellite, 832 kilometers above the earth, indicated that facilities designed to develop nuclear weapons were under construction in North Korea.

On the basis of the photographs taken by its military satellite, the United States maintains that the nuclear facilities in Yongbyon are a typical nuclear weapons production apparatus consisting of reactors and a reprocessing plant. However, despite this claim, no pictures have been made public. On the other hand, North Korea openly denies the U.S. contention by claiming that the nuclear facilities in Yongbyon are the nuclear research center for the study of nuclear energy. Nevertheless, North Korea has given no specific details of the facilities except to say at the IAEA that they contain two Russian-made nuclear reactors. When all is said and done, practically no information has been made available which is necessary to form a conclusion as to the purposes for which these facilities are in operation.

North Korea embarked upon developing nuclear energy in 1961 when it launched the construction of a nuclear research center in Yongbyon. A 2 to 4 megawatt Russian-made reactor and a 30 megawatt class home-made reactor were installed in this center. Even a reprocessing facility had been built by 1980, and this, according to the United States, signifies the conversion of the center into a nuclear weapons factory, not a mere research facility. However, Kiyoshi Sakurai, a Japanese technological commentator, expressed a negative view concerning the photo analysis conducted by a Japanese Tokai University team when he said that "I have never seen a report that a reprocessing facility has recently been built inside a nuclear installation anywhere in the world."

The research reactors operating in North Korea could be for general purposes only or could be converted into military purposes. Therefore, the fact that a research reactor is in operation does not necessarily mean that it is intended for the development of nuclear weapons. Further, many are skeptical about the U.S. contention that North Korea is in possession of a reprocessing plant, in view of the fact that such a plant requires a highly advanced technology. The heart of reprocessing technology lies in how to deal with radioactive waste and how to handle spent nuclear materials, and for these processes, a shield and a remote control facility are indispensable. Considering the fact that it was barely 7 or 8 years ago that even Japan came to possess reprocessing technology, Sakurai says that it is rather unreasonable to assume that North Korea has a reprocessing facility.

Nevertheless, according to the United States, the fact that North Korea has been delaying the signing of a nuclear safety agreement with the IAEA despite its obligation to sign such an agreement within 18 months of its participation in the Treaty on the Nonproliferation of Nuclear Weapons (NPT) in December 1985, is proof that North Korea is pushing the development of nuclear weapons. Since its June 1989 "five-point Solomon proposal," the United States has maintained that the signing of a nuclear safety agreement by North Korea is a prerequisite for U.S.-North Korean rapprochement. However, North Korea holds the position that if the United States pledges not to use nuclear weapons against North Korea, North Korea will sign the nuclear safety agreement with the IAEA. But the United States has rejected the North Korean proposal claiming that the nuclear umbrella provided by the United States to South Korea is one thing and the question of whether North Korea should sign a nuclear safety agreement is another.

Facts Behind U.S.-North Korea Tug of War Over Nuclear Safety Agreement

The safety provisions of the IAEA charter, the NPT, and the NPT provision requiring the signing of a nuclear safety agreement—these are all part of the structure to ensure the nonproliferation of nuclear weapons, arranged at the initiative of the United States and the Soviet Union. The IAEA was founded in 1956 to promote the peaceful use of nuclear energy while preventing its use for military purposes. But the U.S. and Soviet interests underlie this organization. The Soviet Union successfully conducted a hydrogen bomb explosion test in August 1953, putting an end to the U.S. monopoly of nuclear weapons; and at about the same time, the United Kingdom succeeded in developing nuclear energy. All this necessitated a shift in the U.S. policy on nuclear energy development, which had until then been centered on military purposes. Pressure from U.S. private capital seeking entry into the nuclear industry was partially responsible for this shift. It was against this background that then U.S. President Eisenhower made his "Atom for Peace" proposal at the Eighth UN General Assembly session. The main points of the Eisenhower proposal were the call for the establishment of an international atomic energy agency and the U.S. offer to provide its enriched uranium to other countries. The Soviet Union for its part expressed its willingness to provide its enriched uranium to other countries. As a result, the IAEA was born.

True, the founding of the IAEA was of historic significance in that it has spread knowledge on nuclear fission throughout the world and has promoted the peaceful use of nuclear energy. But, on the other hand, it added momentum to the proliferation of nuclear technology and set the stage for the beginning of international scramble for nuclear energy markets. In particular, with the emergence of an additional number of nuclear powers as a result of the proliferation of nuclear technology, the United States, the Soviet Union, and others saw a community of interest in devising an international brake designed to prevent the proliferation of nuclear weapons, and this resulted in the effectuation of the NPT in March 1970.

The operation of the NPT structure arranged in this way may be summarized as follows: a non-nuclear power joining the NPT is obligated under Sections I and IV, Article 3 of the NPT, to sign a nuclear safety agreement with the IAEA within 18 months of the joining, in accordance with the provision on the security measures as provided for in Article 12 of the IAEA Charter, and thus subject its nuclear energy facilities at home to international inspection. However, ever since its inception, the NPT structure has given rise to controversy among non-nuclear powers over its undemocratic character and one-sidedness. First, these countries point out that the NPT structure, while strictly controlling a horizontal proliferation of nuclear weapons (or any increase in the number of nuclear powers), has no control whatsoever over a vertical proliferation of nuclear weapons (or the further development of nuclear weapons by the nuclear powers and the deployment of their nuclear weapons in other countries), and also has no provision on the nuclear disarmament obligation of the nuclear powers. On the other hand, they claim that there is the danger of this structure encroaching upon the independence of non-nuclear powers in the development of nuclear energy, under the pretext of preventing the horizontal proliferation of nuclear weapons. In signing the NPT, non-nuclear powers demanded that nuclear powers guarantee them that they will not use nuclear weapons against any of the non-nuclear powers. By providing that the nuclear powers shall "act in accordance with the UN Charter," the treaty leaves room for using nuclear weapons for self-defense purposes. The United States and the Soviet Union have persistently rejected the demand of non-nuclear powers that they guarantee non-use of nuclear weapons.

After all, the controversy between the United States and North Korea over the issue of North Korea's requirement for signing a nuclear safety agreement is not merely a bilateral problem but reflects the conflict of interest between nuclear and non-nuclear powers within the framework of the NPT structure. North Korea is not alone. As a matter of fact, 37 countries in all, including Vietnam and Colombia, are refusing to sign a nuclear safety agreement, although they are signatories to the NPT. In our judgment, it is desirable for bilateral negotiations between the United States and North Korea to mark the starting point in solving various issues involving the NPT, such as the questions of the democratization of the NPT structure at large, simultaneous controls of the horizontal and vertical proliferation of nuclear weapons, and the security of non-nuclear powers.

North, South Korean Weapons Systems Capable of Carrying Nuclear Weapons

As of now, neither North Korea nor South Korea possesses nuclear weapons. But nuclear weapons do not refer to nuclear bombs alone. Means of conveyance capable of carrying nuclear weapons by air are an important composite part of a nuclear weapons system consisting of devices which are used in carrying and firing the bomb, targeting, and guiding the bomb to the target. It refers to the kinds of fighters, missiles, and artillery pieces which are capable of carrying nuclear weapons. Currently, there is not much concern, but we should point out the danger of both North and South Korea coming into possession of nuclear weapons carrying and delivering devices and converting them into nuclear war potential as soon as they obtain nuclear fissionable materials. Needless to say, when disarmament is achieved between North and South Korea, these devices should become the primary objects of disarmament.

Of the weapons possessed by South Korea, the F-4 Phantom and F-16 Falcon fighters are capable of carrying nuclear weapons. In addition, according to a 29 January 1989 HANGYORE SINMUN report, South Korea signed a contract to import 40 Tornado fighters from Germany, and these fighters are also capable of carrying nuclear weapons. The F-18 Hornet fighters, which South Korea plans to purchase from the U.S. McDonnell Douglas company as the next generation of fighters for the ROK Air Force, are classified as a nuclear delivery vehicle.

As for missiles, Honest John ground-to-ground missiles and Nike-Hercules ground-to-air missiles are known to be capable of delivering nuclear warheads. As for field artillery pieces, the 15-mm M-109A2 guns and M-110 8-inch (203 mm) guns possessed by South Korea are typical of nuclear shell launchers among the U.S.-made field artillery pieces. All these weapons can be used as means of nuclear warfare as soon as nuclear warheads are made available.

In North Korea's case, there are some obscure aspects about its weaponry. But, of its fighters, the SU-7, SU-25, MiG-21, and MiG-29 fighters can be used as vehicles for carrying nuclear weapons. In addition, of its missiles, the SA-5 ground-to-air missiles, Frog-5 and Frog-7 ground-to-ground missiles are capable of carrying nuclear warheads. Recently, reports began to circulate that North Korea possesses Scud-B missiles, which are also classified as a typical short-range missile capable of carrying nuclear warheads. The Scud-B became well known during the recent Gulf War as it was used against Israel and Saudi Arabia by Iraq.

Under the circumstances in which both North and South Korea do not possess nuclear weapons, it is impossible to conclude that the nuclear delivery vehicles possessed by one side are more dangerous than those possessed by the other side. However, North Korea may fear that in case of war between the two sides, the ROK forces might use nuclear bombs possessed by the U.S. forces in South Korea, whereas South Korea may fear that North Korea might develop nuclear weapons and load them in delivery vehicles. It is possible that these mutual fears will cause an "escalation of crisis consciousness." It is precisely for this reason that these delivery vehicles should be the primary target of disarmament between North and South.

U.S.-USSR-PRC Role in Converting Korean Peninsula Into Nuclear-Free Zone

The conversion of the Korean peninsula into a nuclear-free zone requires the joint efforts of North and South Korea. But, on the other hand, relations with the three nuclear powers—the United States, the Soviet Union, and China—should be taken into consideration. In addition, relations with Japan, a country which has a security treaty with the United States and which allows U.S. ships carrying nuclear weapons to call at its ports and transit its territory and permits a temporary introduction of U.S. nuclear weapons, should also be taken into consideration. Particularly, relations with the United States, whose nuclear weapons are deployed in South Korea, are of decisive significance in converting the Korean peninsula into a nuclear-free zone.

In the past, chiefly North Korea and the Soviet Union made proposals for making the Korean peninsula a nuclear free zone. North Korea formally brought up this question at the fifth nonaligned summit conference in August 1976, and subsequently at the 1980 Sixth WPK [Workers Party of Korea] congress, it adopted the policy of converting the Korean peninsula into a nuclear-free zone as an official policy. Since then North Korea has made a number of related proposals. More recently, it announced a "disarmament plan for peace on the Korean peninsula" on 31 May 1990. Earlier in March 1981, North Korea and the Japan Socialist Party issued a joint statement regarding their 1978 agreement on establishing a nuclear zone in Northeast Asia.

As for China and the Soviet Union, they have long demanded the removal of the U.S. forces' nuclear weapons from South Korea. Recently, the Soviet Union began to call for an international conference on conversion of the Korean peninsula into a nuclear-free zone, and with the improvement in the ROK-USSR relations, it has made more proposals of a similar nature. The Soviet Union is stressing its stand in particular that it is ready to offer a guarantee in conjunction with converting the Korean peninsula into a nuclear-free zone.

A joint statement by North and South Korea should mark the starting point for any effort to convert the Korean peninsula into a nuclear-free zone. The validity and practicability of this proposition have been proven by the experiences with the "Latin American Nuclear Ban Treaty" and the "Treaty on the Nuclear-Free Zone in the South Pacific." In both cases, the efforts of the countries involved have gained international support. The North and South Korean authorities should promise that under no circumstances will they manufacture, acquire, possess, take custody of, or test nuclear weapons. On the other hand, interested countries, including the United States, should adopt a resolution to make a joint effort to refrain from using or threatening to use nuclear weapons on the Korean peninsula. This will enable them to reach an agreement on opening the nuclear facilities in North and South Korea to each other's inspection and on mutual cooperation for the peaceful use of nuclear energy. An announcement by North and South Korea of an intention to make a joint effort to realize the democratization of the NPT structure, with the offering of a security guarantee by nuclear powers to non-nuclear powers as its backbone, is desirable not only for the conversion of the Korean peninsula into a nuclear-free zone but also for a reduction of the danger of nuclear proliferation throughout the world.

A North-South Korean joint declaration in favor of the denuclearization of the Korean peninsula should be regarded as the point of departure for an effort to remove the threats of nuclear weapons from the Korean peninsula. This should lead to the abandonment of the U.S. policy of nuclear secrecy and a promise by the surrounding nuclear powers (the United States, the Soviet Union, and China) to totally refrain from using or threatening to use nuclear weapons on the Korean peninsula.

In the effort to achieve the conversion of the Korean peninsula into a nuclear-free zone, it is of great importance for the concerned nuclear powers to offer a "security guarantee" to North and South Korea. A nuclear-free zone treaty devoid of this guarantee cannot but be deficient, and particularly, in case of the Korean peninsula, such a treaty is bound to turn into waste paper because the United States is perusing a nuclear strategy directed against North Korea, with its nuclear weapons deployed in South Korea. All these problems should be discussed in a substantive manner, and on this basis, a treaty on making the Korean peninsula a nuclear-free zone can be successfully signed.

A treaty on making the Korean peninsula a nuclear-free zone should be arranged on the initiative of the North and South Korean authorities on the basis of the results of an inter-Korean joint declaration mentioned above. In this treaty, the North and South Korean authorities should not only promise not to possess, manufacture, acquire, take custody of, or test nuclear explosives and nuclear delivery devices but also promise to ban any introduction of nuclear weapons from the outside and any passage of ships and aircraft with nuclear weapons on board through the territorial airspace and waters of each side. What is of particular importance in this connection is for the North and South Korean authorities to agree to make priority efforts for the removal of foreign nuclear bases from the Korean peninsula and prepare a timetable for the reduction and the complete elimination of each other's delivery devices capable of carrying nuclear weapons. At the same time, on the basis of this agreement, the two sides should work out a protocol providing for a ban on using and threatening to use nuclear weapons by the nuclear powers in the Korean peninsula, a ban on the introduction of nuclear weapons, and a ban on transit passage, and should have the three nuclear powers sign it. This protocol should have a specific provision on the obligation to remove the U.S. nuclear bases in South Korea.

Private-Level Mechanism Needed To Push for Joint Inspection of Nuclear Facilities

Up to his point, we have reviewed the real state of the nuclear crisis existing in the Korean peninsula and various issues centering on this crisis and briefly examined the efforts that should be made to resolve them. In this general observation, we were able to confirm that the conversion of the Korean peninsula into a nuclear-free zone should be the basic direction in resolving the nuclear issue on the Korean peninsula and that what is most important in this connection is the common will on the part of North and South Korea to work for this conversion and a guarantee offered by the interested nuclear powers not to use or threaten to use nuclear weapons against either the North or the South. All members of the Korean nation and the whole international community surrounding us are urged to make sincere efforts to this end.

At the outset of this article, we stressed that in order that we may move forward toward a solution along this line, joint inspection of the nuclear facilities in the North and the South should be conducted on a priority basis. Making these facilities more clear to each other will pave the most effective and realistic way for removing the distrust and tension resulting from misunderstanding and laying the practical groundwork for efforts to convert the peninsula into a nuclear-free zone. This is also important in the sense that it will simultaneously allay our fears of the possible development of nuclear weapons by North Korea and North Korea's sense of crisis arising from the presence of the nuclear weapons of the U.S. forces in South Korea, and thus pave the way for sincere inter-Korean consultations.

Needless to say, common understanding on the part of the North and South Korean authorities and the U.S. Government is necessary for joint inspection of nuclear facilities in North and South Korea. To promote the mutual understanding of these three, we need to explain to each party—at home through the process of achieving consensus by holding public hearings and by other means; to the United States by persuading the administration, the U.S. Congress, and the press—how the materialization of such a joint inspection will be beneficial to all sides. It is most important for our government authorities to press the U.S. Government to strive to realize joint inspection by transcending its policy of nuclear secrecy.

All things considered, despite some room for misunderstanding, it is reasonable to have the United Nations and the IAEA take charge of the joint inspection. We will be able to find a practical way for materializing joint inspection by banking on the accumulated expertise of these two international organizations in the inspection of nuclear facilities and to their peace-loving propensity. We should explain our objectives to the secretaries general of the United Nations and the IAEA and urge the international community to work for the materialization of joint inspection when the UN General Assembly holds an extraordinary session in April. At the same time, at home we should organize a private-level mechanism to function as the main body in making an all-out effort to materialize joint inspection.

Nuclear Bases of U.S. Forces in Korea

Location	Name of Unit	Detail
Seoul	U.S. Command in Korea	Worldwide military command and control system (WWM-CCS) facilities including those for the use of nuclear weapons, plus an emergency telecommunication network for receipt of orders to fire nuclear weapons
Tobongsan	Tobongsan Ammunition Depot	Foreword reserve nuclear weapons armory for 2d Infantry Division
Tongduchon	2d Infantry Division HQ	Nuclear artillery and mines
	2d Engineering Battalion, 2d Division	Operations related to nuclear mines
Uijongbu	6th Battalion, 37th Field Artillery	8-inch guns, with emergency facility for receiving orders to fire nuclear weapons
	Artillery HQ, 2d Infantry Division	2 units handling M-198 guns and 1 unit handling M-109 guns deployed, with emergency facilities and special weapons training facilities
Songnam	"Tango" Combined Communications Operations HQ	WWMCCS facility and emergency telephone network
Taejon	Ordnance Management HQ, U.S. Forces Korea	Main force of U.S. Army nuclear ordnance support group; 78th ordnance company in charge of inspection, maintenance, assembly while U.S. Army security company in charge of security matters
Kunsan	8th Tactical Fighter Wing	F-16's capable of carrying nuclear bombs; its nuclear weapons depot presumed to have 60 nuclear bombs, 40 nuclear warheads for 8-inch guns, 30 unclear warheads for 155-mm guns, 21 nuclear mines
Osan	314th Air Division, U.S. Air Force Korea	Central Control Office (Tree House) of ROK-U.S. Combined Forces Command, early warning and air defense hq, emergency measures facilities
	51st Tactical Air Wing	Tactical Air Command's radar beams for detection of nuclear explosion tests, and commando escort base
	Types C and D bases providing support for long-range air operations	Part of the command line structure needed in long-range tactical air operation and targeting
Pohang	Types C and D facilities to provide support for long-range air operations	Details omitted
Kunwi	"Nightmare" Firing Ground	Nuclear air strike training ground
Wonju	452d Detachment, U.S. Tactical Air Command	Base for detection of nuclear tests
Songso	AN/GSC-39 satellite relay station	Major link in communications with Japan and Hawaii
Changsan	Types C and D bases to provide support for long-range air operations	Details omitted
Choejongsan	2d Detachment, 1st Space Flight Group	Satellite tracking base with ground eletro-optical in-depth space surveillance (GEODSS)

Note: There may have been some changes due to the consolidation of U.S. bases.

Officials Suspicious of Pyongyang Nuclear Pledge

BK1206081291 Hong Kong AFP in English 0806 GMT 12 Jun 91

[Excerpt] Seoul, June 12 (AFP)—South Korea is suspicious of North Korea's declaration that it would sign a nuclear safeguards agreement in September after completing negotiations on drafting the accord in July, officials here said Wednesday.

They said that South Korea will try to push for a resolution at the International Atomic Energy Agency's board of governors meeting now being held in Vienna, urging North Korea to sign the agreement in July as soon as its drafting is completely [as received].

"We are suspicious as to why the North Koreans are trying to put it off to September rather than signing it immediately after the draft agreement is completed," one official said.

North Korean Ambassador Jin Chung-guk reportedly told South Korean reporters in Vienna Tuesday that Pyongyang would sign the safeguards accord in September, without any precondition of a withdrawal of U.S. nuclear arms from South Korea. [passage omitted]

North's Plan To Sign IAEA Accord Viewed

SK1206015991 Seoul THE KOREA TIMES in English 12 Jun 91 p 6

[Editorial: "NK's Nuclear-Bid in Doubt"]

[Text] Now international attention is being paid to the North Korean plan to sign the nuclear safeguards agreement and thus allow international inspection of its nuclear facilities. In a reversal of its policy, North Korea's roving ambassador Chin Chung-kuk met Hans Blix, director-general of the International Atomic Energy Agency (IAEA) Friday and conveyed to him the Pyongyang decision.

The North Korean official, according to reports, has offered to hold negotiations between specialists from Pyongyang and IAEA officials in mid-July to adjust several "minor phrases" in the agreement. And Chin asked the agency's director-general to announce the North's decision during the meeting of the IAEA board of governors which opened Monday.

However, the Korean government understandably has withheld an official welcome for the Pyongyang policy change, making it clear it will urge the IAEA to adopt a resolution calling for the North to sign the nuclear safeguards accord at an early date. Reportedly, several agency members including the United States, Japan and Australia are promoting a similar resolution demanding Pyongyang's acceptance of the international inspection.

The government was of the attitude that there is no clear indication as to whether Pyongyang has any real intention to comply with the IAEA requirement or if it is merely using a ploy to temporarily turn away the mounting international pressure on the Pyongyang government.

There are plausible reasons for the government to suspect the North's ulterior intentions. The North Korean diplomat disclosed his government's plan to negotiate with the IAEA on the change of the wording in the safeguards accord next month and to actually sign it during an agency session as late as September.

In the first place, North Korea has no reason to hold negotiations on a review of the wording of the agreement, as there is a prepared standard form of the agreement. And therefore what is needed is for the North to promptly sign it without any conditions.

Secondly, because the North Korean regime can sign the agreement at any time, without waiting for the September IAEA session, its plan gives the impression that it is using delaying tactics to avoid the expected offensive against the country at the just-opened meeting. It is to be noted that Pyongyang signed the Nuclear Non-Proliferation Treaty in 1985 but refused to sign the related safeguards pact though this is required for all signatories within 18 months after the signing of the non-proliferation treaty.

Still in question is the North's previous demands for a U.S. pledge not to use nuclear weapons against North Korea and the removal from South Korea of the U.S. nuclear arsenal, the existence of which Washington has neither confirmed nor denied.

There is the possibility that the North will take issue with the presence of U.S. nuclear weapons in the South in connection with the present proposal for the review of the wording of the safeguards accord. And in this case, the proposed negotiations would be undoubtedly prolonged beyond the forthcoming IAEA session and even the United Nations General Assembly session in the fall.

There is no denying that the North badly needs economic aid especially from Japan and the United States, and to this end, it will have to improve relationships with these countries. Aware of this, Pyongyang must realize it can hardly get by without fulfilling its international obligations notably including the signing of the nuclear accord. Stopgap tactics will get it nowhere.

The question of the American nuclear arsenal here could be the object of negotiations between Washington and Pyongyang, but the issue should be fundamentally resolved on the basis of the security of the Korean peninsula and East Asia, U.S.-Soviet arms reduction arrangements and the international balance of power.

North Hopes To 'Discuss' UN Issue With South

SK1106085091 Seoul HANGUK ILBO in Korean 11 Jun 91 p 1

[Report by Song Hye-ran from the HANGUK ILBO New York branch]

[Text] It has been learned that the ROK will submit its application to enter the United Nations by 9 August. Regarding this, on 10 June, North Korea expressed that it will decide on the time for submitting its application to enter the United Nations after it consults with our government.

In an interview with HANGUK ILBO on this day, Pak Kil-yon, North Korea's ambassador to the United Nations mission said: "The issue of when to enter the United Nations is an issue that should be decided upon after consulting with the South side. In order to discuss pending issues such as the issue of the North and South entering the United Nations, I am willing to meet with the South side's ambassador to the United Nations mission."

Regarding this, the ROK mission to the United Nations stated: "Since this was not officially conveyed to the ROK mission, there is a problem in credibility."

No Plans Keynote Speech at UN General Assembly

SK1106062091 Seoul YONHAP in English 0515 GMT 11 Jun 91

[Text] Seoul, June 11 (OANA-YONHAP)—South Korean President No Tae-u said Tuesday he plans to attend the U.N. General Assembly in September and give a keynote speech after his country is admitted as a U.N. member.

No will hold informal talks with U.S. President George Bush and Soviet President Mikhail Gorbachev while in New York, and then will pay an official visit to Mexico, aides said.

Over lunch with the nine envoys he recently sent worldwide to explain his position on U.N. entry, the president said he would strengthen Korea's U.N. mission and launch a diplomatic makeover that would include closing overseas missions kept open in a competition with North Korea.

North Korea, in a surprise move, said May 28 it would seek separate U.N. membership from South Korea, abandoning its long-held insistance that the two sides share a single seat with rotational representation.

"Simultaneous South and North Korean entry will not only ease tension and strengthen the roots of peace on the Korean peninsula but hasten national unification," the president said.

"We will widen our scope of dialogue with North Korea at the United Nations and render full support so that North Korea can carry out reforms and open up to function as a responsible member of international society.

"South Korea, as a U.N. member, will participate in solving international conflicts and in global economic development, environment protection, human rights issues and anti-drug campaigns," he said.

Olympics Official Visits Pyongyang, Seoul

SK1006020891 Seoul YONHAP in English 0150 GMT 10 Jun 91

[Text] Seoul, June 10 (YONHAP)—A top international sports leader recently met with the presidents of South and North Korea, presumably to discuss Korean participation in the 1992 Barcelona Olympics as a single team, YONHAP has learned.

Mario Vazquez Rana, president of the Association of National Olympic Committees (ANOC), flew into Seoul on the night of June 6 in his private jet, following a visit to Pyongyang, and met with President No Tae-u on Friday, sources at Chongwadae, the president's office, and the Sports Ministry said Monday.

Rana was received by Kim Chong-yol, president of the Korean Olympic Committee, at Kimpo International Airport and left on Friday night.

A senior Sports Ministry official confirmed that Rana was here but declined to say if he met with No. A Chongwadae source confirmed the No-Rana meeting.

The contents of their discussion was not revealed, but Korean officials who worked on the Seoul Olympic Organizing Committee in 1988 said joint participation in the Barcelona Olympics by the two Koreas may have been a major topic.

Rana contributed greatly to the success of the Seoul Olympics and is a close friend of Juan Antonio Samaranch, president of the International Olympic Committee (IOC), who has a strong hope for united representation of the two Koreas in the next Olympics, which will be held in his homeland, the officials said.

Unified participation of the two halves of the Korean peninsula in the games coincides with the positions of IOC and ANOC on spreading the Olympic movement and the contribution of sports to the world, they said.

Firm To Export Communication Equipment to USSR

SK3105032691 Seoul THE KOREA ECONOMIC JOURNAL in English 27 May 91 p 11

[Text] Exports of time division exchanges (TDX) to the Soviet Union are likely to pick up, as Samsung Electronics has become the only export channel for TDX to the Soviet Union, according to an agreement between Chairman Pervyshin of Telecom Koncern of the Soviet Union and President Chong Yong-mun of the telecommunications sector of Samsung Electronics.

Chairman Pervyshin said at a press conference that the Soviet Union will import TDXs and facsimile machines from Samsung Electronics and PABXs (private automatic branch exchange) and TV monitors from Goldstar.

He also said that the two companies agreed to build a joint-venture TDX plant by October this year, which will produce 3.5 million circuits over the next five years.

Samsung will export 20,000 facsimile machines a year to Telecom Koncern and will establish a joint venture with Priboy Factory of the Soviet Union to produce facsimile machines.

Industry analysts predict that as Samsung has become the only channel to export TDXs to the Soviet Union, fierce competition among Korean firms will be prevented.

Firms, Soviets 'Dispute' Over Export Terms

SK1006020191 Seoul YONHAP in English 0036 GMT 10 Jun 91

[Text] Seoul, June 10 (YONHAP)—A dispute over terms is likely to delay the export of South Korean industrial facilities to the Soviet Union until next year, business sources said Monday.

A disagreement over payment, a holdup in selection of plant type and competition among Soviet Republics concerning the deal were hampering exports worth 500 million U.S. dollars, they said.

The Korean exporters are reluctant to sign contracts until the method of payment is fixed, the sources said. Unlike sales of consumer goods, exports of industrial facilities are purely private and lack bank or government payment guarantees.

The Soviets have expressed their intention to buy 15 types of plant, but details have yet to be determined through bilateral negotiations, the sources said. The two sides planned to conclude selection of the facilities by the end of September.

One source said the two sides were also waging a tug-of-war over the price and date of shipment of 800 million dollars worth of consumer goods.

"It is unlikely that all the consumer goods will be shipped to the Soviets this year," the source added.

USSR Rejects Prices on Petrochemical Goods

SK1006063191 Seoul YONHAP in English 0552 GMT 10 Jun 91

[Text] Seoul, June 10 (YONHAP)—South Korea and the Soviet Union have been unable to agree on the price of petrochemical goods Moscow will buy with tied-loans from Seoul, and the deal might be scrapped, business sources said Monday.

A purchase list of eight petrochemical products totaling 78,670 tons was agreed on in March and negotiations began in early April. But the Soviets continued to ask for lower prices than Seoul offered, jeopardizing the negotiations, they said.

Korea offered high-density polyethylene (HDPE) at 1,165 U.S. dollars a ton for 4,500 tons in the second quarter, but the Soviets counteroffered 850 dollars a ton. Korea will ship 15,000 tons of HDPE this year.

In consideration of declining international prices, Korea cut its price, first to 910 dollars, then 840 dollars and now 750 dollars. Each time, the Soviets wanted a price 100 dollars lower than Korea suggested.

As for polypropylene, Korea cut its price from 1,065 dollars, to 910 dollars, 830 dollars, and then 750 dollars a ton. The Soviets asked for a cut of 50 dollars each time.

For polystyrene and polyvinyl chloride, Korea made concessions just to sign contracts but to no avail because of the ridiculously low prices demanded by the Soviets, they said.

"We did our best to lower prices so we could sell the Soviets petrochemicals, but each time we made a price cut they demanded a still lower price, and every time we gave an inch, they wanted a yard," one of the businessmen said.

"The exports won't go through unless the Soviet Union accepts our offers. They are the best prices we can give them."

Companies Ship $156 Million in Goods to USSR

SK1206020391 Seoul THE KOREA TIMES in English 12 Jun 91 p 8

[Text] The Trade-Industry Ministry has permitted five companies to ship 16 items worth $156 million to the Soviet Union.

The five enterprises are the four general trading companies Samsung, Lucky-Goldstar, Kolon and Daewoo, and Dorco.

Specifically, Samsung has been allowed to export three items worth $38 million, Lucky-Goldstar 10 items worth $74 million, Kolon three items worth $29 million, Daewoo condensers worth $5 million and Dorco razor blades worth $10 million.

The 16 items are among the 34 consumer products and raw materials which the Soviet Union will purchase from Korea this year with $800 million in tied loans provided by Seoul.

The supply of $800 million in tied loans to the Soviet Union is part of a $3 billion economic aid package which Korea will provide to it over the next three years beginning this year in order to boost its backward economy.

Of the $3 billion economic aid package, a total of $1.5 billion in tied loans will be channeled to the Soviet Union during the period including $400 million next year and $300 million in 1992.

The Soviet Union is obliged to purchase Korean-made raw materials and consumer products with $1.5 billion in tied loans.

The ministry said that the five companies will receive due amounts for exports of their concerned items to the Soviet Union from the Export-Import Bank of Korea after they submit necessary documents to the bank.

It added that Samsung and Dorco are likely to ship cold coil worth $15 million and razor blades worth $10 million, respectively to the Soviet Union, by the end of this month.

Lotte Plans To Exhibit Korean Goods in USSR

SK1206023091 Seoul THE KOREA TIMES in English 12 Jun 91 p 8

[Text] Lotte Shopping Co., which owns the largest department store chain in Korea, announced yesterday it will hold exhibitions of high-quality Korean goods in three Soviet cities this month.

Two of the exhibitions will be held at the GUM department stores in Moscow on June 13-26 and Alma-Ata June 13-19.

The other exhibition is scheduled for June 17-29 in Leningrad.

A total of 65 products including electronic appliances, clothes and foodstuffs will be featured in these fairs, the company said.

Academic Conference With USSR Opens in Seoul

SK1006065291 Seoul YONHAP in English 0636 GMT 10 Jun 91

[Text] Seoul, June 10 (YONHAP)—A three-day South Korea-Soviet academic conference on mutual cooperation in the new international environment opened in Seoul on Monday afternoon.

Foreign Minister Yi Sang-ok and Soviet Ambassador Oleg Sokolov attended the opening ceremony and heard a debate on recent domestic developments in the Soviet Union and their implications for Soviet foreign policy.

On Tuesday and Wednesday, participants will discuss ways to enhance understanding between the two nations, establish peace and stability in northeast Asia and arms control.

Kim Chong-in, presidential secretary for economic affairs, IMEMO [World Economics and International Relations Institute] Director Vladlen Martynov, and Sokolov delivered keynote speeches at the conference, which is sponsored by the Institute of Foreign Affairs and National

Security, the International Trade and Business Institute of Korea and the Soviet Institute for World Economy and International Relations.

Resource Development Seminar Held With USSR

SK1206082691 Seoul YONHAP in English 0647 GMT 12 Jun 91

[Text] Seoul, June 11 (YONHAP)—A Soviet official has advised South Korea to choose resource development projects in the Soviet Far East based on long-term projections of its energy and raw material requirements rather than on the feasibility of the Soviet offers.

"Not all of the projects the Soviet Union has offered will probably be feasible in the long run," George Toloraya, executive secretary of the Soviet Commission for Soviet-Korean economic cooperation, said Wednesday.

He was speaking at a three-day Korea-Soviet symposium that started Monday to discuss bilateral cooperation in resource development.

Korea should continue to study the details of the offers, with priority given to smaller projects it can substitute for projects that are unsuccessful, he said.

Yi Chang-chae, a researcher at the Korea Institute for International Economic Policy, echoed Toloraya's remarks, saying Korean businesses should start with projects that require a relatively small investment and keep a close watch on changes in the Soviet economic environment.

Possible resource development projects in the Soviet Far East are for oil and gas deposits on Sakhalin Island, gas in Yakutia, coal in Elqenskoye, copper in Udokan and a petrochemical complex in Surqut.

The Hyundai group operates the joint-venture Svetlaya sawmill in Primorie and the Korean Government has shown interest in developing iron ore and apatite in Irkutsk and is studying the feasibility of oil prospecting and refining in Kalmykiya, Toloraya said.

Despite a number of projects under consideration, the Korean speaker said, there were three major problems in Korea-Soviet economic cooperation: A lack of basic infrastructure, Korea's unpreparedness to conduct joint activities with the Soviet Union, and the highly unstable Soviet situation economically and politically.

The Korean Government should concentrate on strengthening the institutional framework required to expand bilateral economic cooperation, in particular by signing a fishery agreement, Yi said.

"The lack of infrastructure makes it necessary first to decide the problems of transportation facilities, communications, living facilities for workers," Toloraya said.

The Soviet Union may be unable to provide infrastructure in many cases, though it can depend on who is responsible, the Soviet said. Yi said Korea had accumulated a lot of experience and was most competitive in civilian construction.

The Soviet said Korean companies experienced difficulties because they had to contact the Soviet authorities, such as the oil and gas Construction Ministry, while getting the consent of republican and local authorities.

"The Korean side should quite clearly find out who in every case has the authority to give permission for development and exports of resources," Toloraya said.

An entire project might be scrapped due to opposition by the local population for reasons of ecology or living conditions, he said.

Yi agreed that uncertainties regarding the decision-making process, which have been aggravated by the growing demand for autonomy and a decentralized system, made it hard for Korean businessmen to find the right Soviet partner.

In addition, Korean businessmen are experiencing difficulties as their Soviet counterparts frequently wish to revise contracts after they have been signed, Yi said.

The scholars said manpower was vital in resource development because the Soviet Far East is sparsely populated and the local authorities are reluctant to bring in alien workers.

Yi suggested using Chinese or North Korean laborers to overcome the shortages.

"To minimize the risk of a large resource development project, formation of a consortium of Korean firms and Western companies is desirable, including American, Japanese or other Western firms," Yi said.

"In some cases, the projects must overcome resistance on the part of other countries or get international approval," Toloraya said. "My recent trip made me draw a conclusion that North Koreans are not yet ready to discuss a proposed gas pipeline via North Korean territory."

Yi said an advantage to bilateral economic cooperation in resource development over other kinds of investment was that it could solve the problem of inconvertibility of the ruble and profit repatriation.

Torolaya said South Korea and the Soviet Union were at the beginning of a long road and needed no hasty decisions as far as resource development was concerned.

"It is essential that we maintain a balanced view regarding Korea-Soviet cooperation in resource development, avoiding both unrealistic expectations and extreme cynicism," Yi said.

France, USSR To Help Launch Satellites

SK1006092991 Seoul THE KOREA ECONOMIC JOURNAL in English 10 Jun 91 p 4

[Text] Korea's first scientific satellite will be launched from France in July next year, and the second one from the Soviet Union in August 1993.

This launching schedule was announced by the satellite research center of the Korea Advanced Institute of Science and Technology (KAIST) at an information meeting held at the Taedok Science Town near Taejon.

The first satellite, dubbed the KITSAT-A, will be produced jointly by KAIST and Surrey University of England and will be launched by a launcher of Arianespace of France, sources at the center said.

The second satellite, dubbed the KITSAT-B, will be produced by KAIST with its own technology and launched by a Soviet launcher, the sources said.

The satellites will weigh 50 kilograms each, and measure 50cm by 80cm, the sources said.

The launching cost will be $200,000 for the French firm and $150,000 for the Soviet concern. A launching contract has already been signed with the French firm, while a similar contract will be concluded with a Soviet firm sometime in June this year.

Six Korean research institutes, six Korean colleges, and a number of private enterprises, including Samsung Electronics, Goldstar, Goldstar Industrial Systems, Hyundai Electronics, Daewoo Telecom and High Gain Antenna, are expected to take part in this project, the source said.

The launching of the second satellite will be televised and timed with the Taejon Expo '93, the sources said.

The Communications Ministry will provide 4 billion won toward this project, and a joint research group for scientific satellites was set up at the Science-Technology Ministry to promote this project, the sources said.

Danish Prime Minister Arrives in Seoul 11 Jun

SK1106112291 Seoul YONHAP in English 1025 GMT 11 Jun 91

[Text] Seoul, June 11 (OANA-YONHAP)—Danish Prime Minister Poul Schluter arrived here on Tuesday afternoon for a four-day visit.

The Danish leader is to have a summit meeting with President No Tae-u Wednesday morning to discuss matters of common concern, including the latest changes in the international situation and bilateral trade and investment cooperation.

Schluter, accompanied by his wife, was received at Kimpo International Airport by Prime Minister Chong Won-sik and other senior government officials.

During his stay, he is to attend the inauguration ceremony of the Korea-Denmark economic cooperation committee.

He originally planned to come in August but the visit had to be postponed due to tension in the Gulf region and internal affairs.

Meets With No Tae-u 12 Jun

SK1206060291 Seoul YONHAP in English 0506 GMT 12 Jun 91

[Text] Seoul, June 12 (YONHAP)—South Korean President No Tae-u and Danish Prime Minister Poul Schluter discussed bilateral trade and investment promotion during a meeting Wednesday.

No invited Queen Margrethe II to visit Korea, a presidential spokesman said.

The two leaders expressed satisfaction at the growing trade activities since their countries established diplomatic ties in 1959 and agreed on further expansion, the spokesman said. Two-way trade amounted to 420 million U.S. dollars last year.

They also agreed to consult closely on Korean businesses' inroad into the European Community and Denmark's entry into the Asia-Pacific region while focusing on bilateral investment promotion, he said.

Schluter arrived in Seoul on Tuesday for a four-day visit during which he will contact leading businessmen to step up economic cooperation.

No explained his country's stance on South and North Korea's simultaneous entry into the United Nations and the growing mood for peace and reconciliation on the Korean peninsula, according to the spokesman.

Gives Speech at Banquet 12 Jun

SK1206111091 Seoul YONHAP in English 1052 GMT 12 Jun 91

[Text] Seoul, June 12 (YONHAP)—South Korean President No Tae-u, addressing at a dinner banquet for visiting Danish Prime Minister Poul Schluter on Wednesday, said that entry into the United Nations by both halves of Korea will ultimately contribute to the peace of the world.

"The admission of South and North Korea into the United Nations this fall will certainly contribute toward easing tension on the Korean peninsula and toward establishing a lasting peace in Northeast Asia," No said.

"The Iraqi invasion of Kuwait has served as a stark reminder that the uncertainties and dangers of regional conflict persist even as the world moves forward to a new international order.

"At the same time, however, the Gulf war has prompted the community of nations to rally around the U.N. flag, and we have demonstrated once again that aggression will not stand in today's international system," he said.

Also taking the Gulf war as an example, Schluter responded in his speech, "regional conflicts still pose a serious threat to international peace and security. It is important that all nations do their utmost to support the principle that disputes should only be settled by peaceful means through dialogue."

"So, it is indeed a happy event that we shall soon be able to welcome the Republic of Korea among the members of the United Nations. Furthermore the latest developments augers well for increased peace and stability on the Korean peninsula," the Danish premier said.

Earlier in the day, the two heads of state had a summit to discuss matters of mutual concerns, including bilateral trade and investment promotion.

During the meeting at the presidential office of Chongwadae, No invited Queen Margrethe II to visit Korea, according to a Chongwadae spokesman.

Schluter, who arrived in Seoul on Tuesday along with his wife for a four-day visit, is to contact leading businessmen to step up economic cooperation.

Press Exchange Accord Signed With ROMPRES

SK1106084091 Seoul YONHAP in English 0821 GMT 11 Jun 91

[Text] Bucharest, June 10 (YONHAP)—South Korea's YONHAP News Agency and the Romanian National News Agency ROMPRES signed an accord on exchange of press information and photographs in Bucharest on Monday.

The accord was signed by YONHAP Executive Director-General Kim Yong-il and ROMPRES Director-General Neagu Udroiu in the presence of Yi Hyon-hong, South Korean ambassador to Romania.

It is the seventh accord YONHAP has signed with an Eastern European news agency. The six other agencies are TASS and NOVOSTI of the Soviet Union, MTI of Hungary, TANJUG of Yugoslavia, PAP of Poland and ADN of former East Germany.

Small, Medium Companies Advance Into Mongolia

*SK3105034191 Seoul THE KOREA ECONOMIC JOURNAL
in English 27 May 91 p 9*

[Text] Korea's small- and medium-sized companies are actively advancing into Mongolia.

According to industry sources, Korean companies such as Korea Trading Int'l Inc. and Samkoo Trading Co. will export $4 million worth of products to Mongolia this year and Korea Leather Cooperative plans to establish a leather industrial complex in Mongolia.

In addition, Korea Trading Int'l exported home appliances and garments worth $2.06 million to Mongolia, a first for a Korean company.

Fifteen companies including Seo Jun Mool San Co., Shindong Corp. and Hwajin reportedly have signed agreements with Mongolian counterparts to export $2 million worth of garments, fishing tackle, handbags and socks.

Leather companies are currently considering establishing a 300,000 pyong (one pyong equals 3.3 square meters) industrial complex near the border of Mongolia and the USSR.

Nonferrous metal makers are planning to import 30,000 tons of copper scrap from Mongolia.

An official from Korea Trading Int'l said that prospects for current and future trade with Mongolia are bright as the country adopted an open-door policy in economic areas. The official did acknowledge that there are certain difficulties in settlements and transportation.

Police, Students Clash at Student's Funeral

BK1206121691 Hong Kong AFP in English 1204 GMT 12 Jun 91

[Text] Seoul, June 12 (AFP)—Police and students had minor clashes Wednesday as tens of thousands of South Koreans occupied the street in front of a Seoul theater to hold a funeral for a student killed there last month.

Police fired tear gas from armored vehicles at one point when about 100 protestors tried to stop police from setting up barricades in a street along the route taken by the procession bearing the body of student Kim Kui-jung.

Police were steering the crowd of mourners, estimated at some 30,000, away from Myongdong Roman Catholic Cathedral, where dissident leaders wanted by the law have sought refuge.

The group of students tried to grab the huge garbage bins used as barricades, stopping a truck carrying them and pulling the driver out of the seat. Police turned on multiple tear-gas launchers fitted on top of the armored trucks, and the students retreated.

Police also clashed with some 2,000 students who occupied a busy street near Seoul's west gate, exchanging tear gas and firebombs, the national news agency YONHAP reported.

But violence was absent from the rest of Student Kim Kui-jung's funeral.

The mourners reached Taehan Theater and held a sit-in in the early evening, listening to speeches by dissident leaders in front of Miss Kim's casket, which is decorated with yellow and white chrysanthemums and a huge national flag.

They had gathered in Chongno Street in front of Pagoda Park for the first of the day's two road funeral ceremonies for Miss Kim, who died during a demonstration on May 25.

All day the students and dissidents have expressed their hatred of the government, which they blame for the death.

The government says fellow demonstrators trampled Miss Kim to death but the dissidents claim a tear-gas attack by police caused the stampede.

During the road ritual the president of the National Student Federation Chondaehyup, Kim Chong-shik, delivered a rousing speech.

"Any regime which does not listen to the people must be beaten by the bludgeons of the people," said Mr. Kim, who tops every police wanted list.

Government officials say Miss Kim's funeral will be the last large anti-government gathering after more than six weeks of protests.

Some 500 students armed with black sticks took Miss Kim's body from her alma mater, Sungkyunkwan University, to Pagoda Park, which has historical significance as Korean patriots fighting Japanese colonialism initiated an unsuccessful nation-wide uprising from there in 1919.

Forty pall-bearers wearing black and white, the traditional colors of mourning in East Asia, carried Miss Kim's casket from the campus.

Students carried signs such as "Martyr Kim Kui-jung, Flower of Democracy, We Will Follow Your Will Through The Struggle of 40 Million People" of South Korea.

A banner carried by a group of dissident professors said, "No Tae-U's regime, resign for killing our students."

Some 20,000 police were deployed throughout Seoul since early in the day, patrolling strategic road intersections in ancipation of clashes.

Miss Kim, 25, died during a street protest against the death of another student, Kang Kyong-dae, who died after being beaten by policemen on April 26.

"The murderers who killed Kyong-dae also killed Kui-jung," chanted mourners earlier in the day at Sungkyunkwan. They also screamed slogans calling for the toppling of President No Tae-U.

Confucian traditionalists have complained that Miss Kim's body was kept at Sungkyunkwan overnight, saying this defiled a shrine to the Confucius set up at the campus.

Observers here say the funeral of Miss Kim will be the last anti- government gathering before students sit exams and begin their summer vacation.

Spring is the traditional season for protests in South Korea but the death of the two students and a series of self-immolations by protestors prolonged them this year.

Steps Against Illegal Electioneering Outlined

SK1106063491 Seoul YONHAP in English 0534 GMT 11 Jun 91

[Text] Seoul, June 11 (YONHAP)—The government said Tuesday it would crack down on illegal and corrupt campaigning for the June 20 local elections and sternly counter social disturbances.

In a meeting chaired by Prime Minister Chong Won-sik, it was decided to double the size of the government's election watchdog team, comprising officials from the Central Election Management Committee and other government agencies, from 3,000 to 6,000 and to set up special task forces of 5,800 people to deal exclusively with violations of the election law.

Teams will also be set up in district prosecutors' offices to investigate vote buying, mudslinging and election violence.

To prevent lawbreaking during the campaign period, the government will deal sternly with illegal construction, violation of city planning ordinances and leftist groups.

The government will order public servants to refrain from making non-urgent visits to towns to prevent any suspicion of intervention in the elections.

Home Minister Yi Sang-yon said 383 people suspected of illegal electioneering had been investigated since the campaign began on Saturday.

Of them, 17 were arrested and 24 were booked without physical detention, he said. The police notified the Election Management Committees of 73 violations and investigations of 243 people are ongoing.

Chong called for efforts to realize fair elections.

Also attending the meeting were Justice Minister Kim Ki-chun, Education Minister Yun Hyong-sop, Information Minister Choe Chang- yun and seoul Mayor Yi Hae-won.

NDP Lawmaker Questioned on Election Law Breach

SK1106061791 Seoul YONHAP in English 0506 GMT 11 Jun 91

[Text] Seoul, June 11 (YONHAP)—The prosecution plans to summon two senior lawmakers for questioning later this week to determine whether election law was breached in connection with the party nomination of candidates for the June 20 local elections.

It suspects a 61-year-old pharmacist gave 300 million won or 400 million won to a 57-year-old assemblyman from the main opposition New Democratic Party [NDP] for party nomination and questioned the pharmacist over the weekend, prosecution sources said Tuesday.

The prosecution found money was transferred from the pharmacist's bank account to the lawmaker's, but released the pharmacist, known only as Mr. O, because he denied the charges. The lawmaker, identified only as Mr. Kim told the prosecution the money was an "extraordinary party membership fee," the sources said.

O [who] switched from the ruling Democratic Liberal Party to the NDP in February was nominated by Kim Tae-chung's party for the June 20 local elections.

Another NDP lawmaker called Kim, this one 59 years old, is suspected in a similar case and will be questioned soon, according to the sources.

Democratic Party Leader Urges End of 'Era'

SK1206021491 Seoul THE KOREA TIMES in English 12 Jun 91 p 2

[Text] Yi Ki-taek, president of the minor opposition Democratic Party [DP], called yesterday for putting an end to what he termed the "one No, three Kims' era," meaning the national situation dominated by President No Tae-u, New Democratic Party leader Kim Tae-chung and top leaders of the ruling Democratic Liberal Party Kim Yong-sam and Kim Chong-pil.

He appealed to the people to support the DP in the local elections asserting that it is the only alternative to the present politics ruled by the four leaders.

In a press conference at a tourist hotel in Kapyong, northeast of Seoul, he criticized the ruling camp for engaging in unlawful campaign activities by using money and power.

He also charged the government is "freezing" the election atmosphere by suppressing opposition forces using the police, prosecution and even tax offices.

He said the ruling camp is restricting opposition parties, campaigns to the extreme and coaxing independents to withdraw their candidacies while engaging in illegal campaigns.

He said the DP has evidence that DLP candidates are offering voters money or "wining and dining" them.

If the ruling camp continues to go on with the corrupt campaigning, the DP will initiate an all-out struggle against the government, he warned.

Government To Open Distribution Market Further

SK1106005291 Seoul YONHAP in English 0036 GMT 11 Jun 91

[Text] Seoul, June 11 (YONHAP)—The government will go ahead with plans to further open South Korea's distribution market on July 1, but full opening will be delayed until 1995, Trade and Industry Ministry officials said Tuesday.

Korean distributers were expected to suffer greatly from the July 1 measure, under which foreigners may operate up to 10 stores covering less than 1,000 square meters each, they said.

The market was to be fully open from 1993, but the move has been delayed until 1995 to minimize the unfavorable impact, the officials said.

To strengthen the competitiveness of the Korean distribution industry, the Ministry is working on ways to give 336 billion won (463.4 million U.S. dollars) in financial support to local firms in consultation with the Economic Planning Board.

The money will aid improvement of the market structure, importation of technology, promotion of technology sharing among Korean firms, information gathering and dissemination, franchising, and direct mailing.

The officials said it was unlikely that interest rates would be lowered shortly. The Ministry has sought to provide financial support to small stores at an annual interest rate of 5 percent, but the Finance Ministry objected because interest rates on the money market hover around 18 percent.

Finance Minister Sees More Flexible Policy

SK3105022091 Seoul THE KOREA HERALD in English 31 May 91 p 6

[Text] The government's monetary policy in the latter half of the year will be more flexible to effectively support business activities, but not at the expense of ongoing stabilization efforts, Minister of Finance Yi Yong-man said yesterday.

Delivering a keynote speech at an economic forum organized by Maeil Kyungche-the Economic Daily, Yi said the ministry will control the nation's total liquidity in a flexible manner, considering inflation rates, interest rates, and other economic indicators.

"However, the government will go allout to keep the nation's total money supply growth rate, widely known as M2, at a level of 17 to 19 percent on a yearly basis this year," said the finance minister.

The top financial policy maker pointed out that money supply, interest rates, and exchange rates will be more closely interrelated in the process of liberalizing the domestic financial market.

"Under these circumstances, I think that it is undesirable for the government to concentrate only on the quantity of money as a means of managing the nation's total liquidity," Yi said.

"In preparation for a free-competition market," he continued, "the government will reduce such policy loans as export financing and facility lendings on a gradual basis."

As an initial step to phase out policy loans, the government will ban commercial banks from dealing with such concessional loans, while granting a dealing right only to specialized or state-run banks, he said.

Noting that the one-shot liberalization of interest rates is expected to deal a serious blow to the domestic financial industry, Yi said the government will pursue the liberalization on a step-by-step basis in a range which will not disrupt the domestic economic order.

Power Company Plans To Boost Electricity Output

SK1006061491 Seoul YONHAP in English 0526 GMT 10 Jun 91

[Text] Seoul, June 10 (YONHAP)—A looming power shortage has led the Korea Electric Power Corp. (Kepco) to return three oil-fired power stations to operation in July and consider maximum continuous rating (MCR) in an emergency.

The state-run company said Monday it would dust off five oil-fired generators that were closed down as too expensive to run—the No. 2 and No. 3 generators in Ulsan (with a capacity of 200,000 kilowatts each), No. 2 in Yosu (300,000 kw) and No. 3 and No. 4 in Pusan (105,000 kw each).

If supply still lags behind demand, powerful plants will run at MCR for two hours daily. MCR is usually 2-3 percent above normal output capacity.

Among the MCR targets are six nuclear power stations in Kori, Yonggwang and Ulchin (rated at 950,000 kw each), two coal-fired power stations each in Samchonpo (560,000 kw each) and in Poryong (500,000 kw each) and three oil-fired stations in Ulsan (400,000 kw).

MCR operation can create an additional supply of 200,000 kw all told: 120,000 kw from nuclear power, 44,000 kw from coal and 36,000 kw from oil.

Unless the supply pinch improves, Kepco says, it will sustain MCR operation for the time being to create 214,000 kw in 1992 and 294,000 kw in 1993.

The company expects the campaigns to help lift the electricity reserve rate from a projected 4.5 percent to 7 percent this summer and a projected 2.5 percent to 6.9 percent next summer.

Assessed Value of State-Owned Property Rises

SK1006031891 Seoul YONHAP in English 0229 GMT 10 Jun 91

[Text] Seoul, June 10 (YONHAP)—The book value of state-owned property rose to 55,656.7 billion won in 1990, up 88.1 percent from 29,583.4 billion won in 1989, the Finance Ministry said Monday.

The government revalued its property last year by 24,416.2 billion won on top of a 1,657.1 billion-won net increase of 5.6 percent. The value of state property is reassessed every five years.

The net increase alone would have boosted the value to 31,240.5 billion won, but the market value is believed to be in excess of 100 trillion won, a Ministry official said.

An estimated 1,433,411 hectares (4,343.67 million pyong) of state-held land was revalued last year based on the standard assessment of the Home Ministry and 1,161.1 million shares were calculated at par. The land accounts for 14.5 percent of Korea's total area of 9.9 million hectares (an estimated 30 billion pyong. [no end parenthesis as received]

Burma

4 NLD Members Arrested for Contact With Rebels

BK1106170691 Rangoon Radio Burma in Burmese 1330 GMT 11 Jun 91

[Excerpts] Authorities concerned have arrested Aung Myo Naing, organizer of the Yangon [Rangoon] Division National League for Democracy [NLD]; Robert Aung, in charge of youth affairs for the Lanmadaw Township NLD; Kyi Soe of the Kyauktada Township NLD; and Dr. Ko Mun of the Bahan Township NLD on 25 May 1991 for having contacts with armed organizations from the jungles. [passage omitted]

Aung Myo Naing, who returned from the jungle and collected medicines needed for the people there, recruited elected representatives and party members and sent them to the jungle, and distributed in Yangon documents from the jungle. Robert Aung, Kyi Soe, and Dr. Ko Mun were found to have contacts and to be operating with the youths in the jungle. It is understood that effective legal action will be taken against them.

Delhi Burmese Program on 'Political Changes'

BK1106152191 Delhi All India Radio in Burmese 1215 GMT 11 Jun 91

[From the "Postbag" Program for Burmese listeners]

[Excerpts] Dear listeners: We have received a letter from Jan Myo Aung of Burma's (Shwehintha). She says: I believe the Indian Embassy in Rangoon does not regularly send our letters to AIR [All India Radio]. This is because our letters were not mentioned in your "Postbag" program and the "Music at your Request" program. We are old acquaintances of the AIR and there is no reason for the radio station to have ignored us. Perhaps the AIR did not reply to us because the Indian Embassy has not been sending our letters to you. Will the person in charge explain the situation to us?

Dear Jan Myo Aung, the Indian Embassy has regularly been dispatching letters to us since some 40 years ago. Previously, we have been receiving letters two or three times every week, and the number of letters we received averaged over 1,000 a month.

Since the incidents of 8-8-88 [democracy uprisings of 8 August 1988] and until the end of the elections in Burma, we have been receiving letters regularly. But following political changes after the elections, letters from Burmese listeners gradually decreased until they stopped completely.

When the [Indian] ambassador [to Burma] came to AIR to explain the attitude of the Burmese Government to us, I discussed the matter concerning listeners' letters with him. He promised to send all the letters that were sent to the embassy. Hence, since AIR have not been recieving any letters from its listeners, we had presumed that they had not been writing to us.

But, now, a listener, Jan Myo Aung, has said she has frequently sent letters to us and has not heard from us. It is true that we have been receiving few letters from listeners now. It may mean that the Indian Embassy has not been receiving them. Since the ambassador himself has personally pledged to send the letters, it is indeed puzzling where the letters went. [passage omitted]

We will be writing to the embassy regarding the letters from listeners. AIR listeners are requested to write at least three letters each to the AIR in the months of June, July, and August so that we will clearly know the fate of your letters.

Before I conclude this "Postbag" program, I wish to say something that has been bothering me. Since the 8-8-88 incidents, we have responsibly been broadcasting the "Current Burmese Affairs" program. But following political changes after the elections and since March 1991, we, due to circumstances, have stopped broadcasting that program. We were duty bound to make broadcasting changes with the hope that the Burmese people will be able to work with the Burmese Government to create new conditions. Members of the AIR are of the belief that all those who want peace will welcome our decision to broadcast new programs and to halt the "Current Burmese Affairs" program. It is vital for the people of our two countries to strengthen Indian-Burmese friendship. [passage omitted]

Brunei, Malaysia & Singapore

Malaysia

Labor Minister Calls U.S. Petition Baseless

BK1206051291 Kuala Lumpur BERNAMA in English 0439 GMT 12 Jun 91

[Text] Kuala Lumpur, June 12 (OANA/BERNAMA)—Malaysian Human Resources Minster Lim Ah Lek has described as "baseless" the petition by U.S. lobbyists demanding that its government deny Malaysia duty-free trade cuts under the Generalized System of Preferences (GSP).

He also held the Malaysian Trades Union Congress [MTUC] responsible for the petition, referring to a series of actions by its former deputy secretary-general, G. Rajasekaran.

The petitioner, the Washington-based International Labour Rights Education and Research Fund (ILRERF), is backing its claim with a copy of a letter written by Rajasekaran to the International Confederation of Free Trade Unions (ACFTU) complaining about the plight of the Harris Solid State (HSS) Workers Union.

The 22 union activists were among those who lost their jobs when HSS, along with Harris Semi-Conductor, were closed to form a new company, Harris Advance Technology (HAT).

Rebutting Rajasekaran's assertions that the dismissal has discouraged unionisation in the electronics industry, Lim said that by writing the letter, the MTUC had breached a tripartite agreement reached at the national labour advisory council on efforts to defend the GSP status.

Moreover, the existence of several in-house unions in the electronics industry was proof that unionisation among such category of workers was not uncommon, he said.

"The ILRERF is basing its petition purely on allegations which have no basis whatsoever," he said from Geneva where he is heading Malaysia's delegation to the International Labour Organisation annual conference.

The minister also issued a statement here to explain the circumstances leading to the ILRERF's petition. On the plight of the 22 HSS former workers, Lim said they had refused his advice to accept re-employment when HSS was closed and HAT was set up. It was clear that the workers acted on Rajasekaran's ill advice and the latter should be held responsible, Lim said.

"Had they accepted my advice, they would have a union in HAT by now and would not be in their current predicament," he added.

Commentary Criticizes U.S. Labor Groups

BK1106102491 Kuala Lumpur Voice of Malaysia in English 0800 GMT 11 Jun 91

[Station commentary]

[Text] Malaysia has again become the target of labor groups and pressure groups in the United States. The International Labor Rights, Education, and Research Fund, ILREF, has submitted a fresh petition to the Office of the U.S. Trade Representative, USTR, seeking the removal of Malaysia from the list of beneficiaries under the U.S. General System of Preferences, or GSP scheme. The charge leveled at Malaysia in an attempt to deprive it of GSP status is that it has not complied with worker rights standards.

This move to discredit Malaysia on the issue of labor rights and to have its GSP privileges removed is not something new. There were attempts made in 1988 and last year, both of which failed to achieve their intended objectives. Now the ILREF has picked up an isolated case of 23 union activitists in an American-owned electronics company based here who had their services terminated after the firm closed shop and was absorbed into another company. Their case was brought to the attention of the International Confederation of Free Trade Unions, ICFTU, by the Malaysian Trade Union Congress, MTUC. The officials have claimed that the letter was aimed at bringing up the issue of the unionization of electronics industry workers and was in no way intended to help the lobbyists in their efforts to deprive Malaysia of its GSP status. They were also at a loss as to how the letter dropped into the hands of the ILREF.

The GSP scheme is operated by several developed countries to provide less developed nations easy access to their markets through concessional tariff rates and duty-free imports. Malaysia is the third largest recipient of the U.S. GSP privileges. Exports of Malaysian goods under the GSP category accounted for some 11 percent of the total Malaysian exports to the United States in 1989. It has been pointed out that the GSP program is a temporary one and is reviewed from time to time. Malaysia, now undergoing rapid development in its industrialization drive, can expect to be gradually phased out of the GSP scheme as has been the case of other Asian NIC's [newly industriazed countries]. In fact, some of the export items to the United States under GSP will soon be removed from the scheme. These include telephone sets, radio broadcast receivers, vulcanized rubber, glucose, threads, and safety pins. These items are approaching the Competitive Need Limit or Credit Need Limit [CNL] status. CNL stipulates that GSP privileges will not be accorded to specified categories of goods where exports to the United States exceed U.S. $88 million a year or account for more than 50 percent of the U.S. market for any particular category of goods.

Under these circumstances, it is both unethical and unjustified for the ILREF or other labor groups to seek the immediate removal of Malaysia's GSP status. These organizations have often been inclined to distort the labor situation in developing countries and present a wrong image of these countries in the eyes of the the world. Their reason is only too obvious—the protection of their own markets.

Meanwhile, Malaysian manufacturers and exporters have been urged to prepare themselves for any stoppage of the trade privileges and other forms of protection now or in the near future. They cannot go on foreover defending duty exemption for their products. Instead, they have to concentrate on productivity and efficiency and cut down on operational costs as well as increase the quality of their goods so that they can stand on an equal footing with others on the international market scene.

Representative Criticizes UNDP's Report

BK1206073591 Kuala Lumpur BERNAMA in English 0627 GMT 12 Jun 91

[Text] Washington, June 12 (OANA/BERNAMA)—Malaysia's permanent representative to the United Nations Razali Ismail has blasted the United Nations Development Programme (UNDP) for incorporating the "human freedom index" in its 1991 report, which he said has created "dissension and controversy."

"It is not an exaggeration to say that the incorporation of the so-called human freedom index has tarnished the whole human development report. We have reminded the administrator and senior officials of UNDP that the business of UNDP is pure and simple—development—and not to miss the woods for the trees and go on a messianic foray into areas it has neither responsibility for nor expertise in," Razali said.

In addressing the 38th session of the governing council of the UNDP in New York Tuesday, Razali called on the UNDP to be non-partisan and "not be suspected of being surrogates for one-sided Western values which in the process insult the traditions and values of others, particularly the Muslim countries."

"Why, may I ask, is it vital to have an index on homosexuality? Is the Western world...and some persons in the UNDP preoccupied over homosexuality?" He said in a strongly-worded statement.

A Malaysian official who attended the meeting said that Malaysia's strong statement won a lot of support, especially from other developing countries. "Our message was put across loud and clear to the UNDP on its ill-considered decision on the human freedom index."

Razali added that the chairman of the the group of 77 developing countries (G-77) also expressed his strong exception on behalf of the developing countries.

TV Begins Program on Australia's 'Racism'

BK1006133891 Singapore THE STRAITS TIMES in English 10 Jun 91 p 1

[By Kalimullah Hassan]

[Text] Kuala Lumpur—TV3, Malaysia's privately-owned television station, yesterday started a four-part news series focussing on racism in Australia, in retaliation against the bad press about Malaysia in the Australian media.

TV3 broadcast interviews with Asians living in Australia to show how non-whites have suffered from racism there.

The first part also showed anti-Asian graffiti in various Australian cities.

In the run-up to the four-part series, TV3 trailers at prime-time said they were going to expose how Australia, which claimed to be fair and just, had treated Asians and its own aborigines.

TV3 is controlled by the Renong group, which has links with UMNO [United Malays National Organization], Malaysia's premier political party and leader of the ruling National Front coalition.

This is the second time TV3 is screening a program which does not pretend to hide the fact that it is retaliating against what the Malaysian government perceives as unprovoked hostility from the Australian press and government.

Malaysia downgraded its relations with Australia late last year after the government-funded Australian Broadcasting Corporation screened a television series called Embassy, which, according to Malaysian leaders, belittled Malaysia and its official religion, Islam.

Kuala Lumpur officials said the Embassy series depicted some scenes which resembled Malaysia but which had been distorted to suit popular misconceptions in Australia.

The second season of the series, which began last month, started off with the hanging of two men for drug trafficking and diplomats criticising the fictitious country, called Ragaan.

The story is similar to the hanging of two Australian drug traffickers, Kevin Barlow and Brian Chambers, in Kuala Lumpur in 1988.

The Australian press and public at that time condemned Malaysia as a barbaric country.

Prime Minister Bob Hawke and other Australian leaders said they had no power to control the country's media.

TV3's news series came just a day after a meeting, sought by Mr. Hawke with Prime Minister Datuk Seri Dr. Mahathir Mohamed to resolve the worst diplomatic tiff between the two countries, was called off.

Mr. Hawke was supposed to meet Dr. Mahathir at a Commonwealth meeting in London tomorrow, but the meeting was postponed.

Some Asian diplomats here said the TV3 series was Kuala Lumpur's way of telling Australia that the Malaysian press was also free to broadcast what it pleased.

One diplomat said: "I believe that Malaysia is trying to tell Australia that the fact that the media here does not launch such blatant attacks on Australia or any other friendly country is because they are responsible for maintaining ties with friendly countries.

"The message is that the Australian government should also convince its press that while being free, they too have a responsibility to ensure that ties with friendly countries are not soured."

Malaysian officials said they would not be making any move to meet Australian leaders to resolve the problem

Sudanese Head of State al-Bashir Begins Visit

EA0706100891 Khartoum SUNA in English 0926 GMT 6 Jun 91

[Text] Kuala Lumpur, June [dateline as received] (SUNA)—Official talks will start here between Sudan and Malaysia headed by chairman of the RCC [Revolution Command Council] Lt. Gen. 'Umar Ahmad al-Bashir, who is currently visiting Malaysia, and Malaysia Prime Minister Dr. Mahathir.

Gen al-Bashir, accompanied by a delegation [which] comprises Minister of Finance Abu 'Abd-al-Rahim Hamdi, Minister of Foreign Affairs 'Ali Ahmad Sahlul, Minister of Higher Education Prof. Ibrahim Ahmad 'Umar, political adviser [words indistinct] general secretary of International Popular Friendship Council, have arrived Kuala Lumpur Airport early this morning.

Gen. al-Bashir was received at the airport by [Prime Minister] Dr. Mahathir and Sudan's ambassador to Malaysia 'Umar M. Yasin, then went to the Malaysia Parliament building where [he was] received by Malaysian King Azlan Shah in official reception ceremony.

Commentary on Military Officer Training

BK0806113491 Kuala Lumpur BERNAMA in English 0720 GMT 8 Jun 91

[Text] Kuala lumpur, June 8 (OANA-BERNAMA)—Sudan wants to send more military officers to training establishments in Malaysia, Defence Minister Najib Razak said Saturday.

He said the Sudanese were more interested in learning from Malaysia its experiences in counter-insurgency warfare which might be useful for the Sudanese Armed Forces in their type of environment.

The ministry will consider the requests for the training of the officers and other ranks of the Sudanese Armed Forces, at the Army's Land Warfare Training Centre (Pulada) and the special warfare training centre at Sungai Udang, he told reporters after a visit by President Lt. Gen. 'Umar Hassan Ahmad al-Bashir of Sudan to the Defence Ministry (Mindef) here.

Lt. Gen. Umar had, as a military leader, attended a course at the Malaysian Armed Forces Staff College (MTAT) in Mindef in 1983.

Najib said the Sudanese Government will make an official request soon for the specific courses. The ministry currently provides a place for one officer from Sudan in the MTAT.

Lt. Gen. 'Umar also visited the nearby MTAT before flying off in a helicopter to visit the Malaysia explosives (SME) ordnance factory. The Sudanese leader concludes his three-day visit to Malaysia Saturday.

Concludes Visit

BK0806144891 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 8 Jun 91

[Text] Trade between Malaysia and Sudan will be further enhanced with trade and private sector missions to follow up the two pacts signed between the two Muslim countries. President Lieutenant General 'Umar Hassan Ahmad al-Bashir of Sudan said a high-powered Sudanese delegation, including businessmen would be coming to Malaysia soon to seek trade relationship with Malaysian entrepreneurs. A Malaysian delegation was also expected to go to Sudan soon. He told a news conference at Carcosa Seri Negara [State Guest House] in Kuala Lumpur at the close of his three-day official visit to the country.

Malaysia and Sudan signed a cultural cooperation agreement and an economic, scientific, and technical cooperation agreement on Thursday soon after Lt. Gen. 'Umar's arrival in Malaysia for his first visit and talks. He said the Sudanese Embassy would follow up on matters that had been agreed during his visit.

Lt. Gen. 'Umar also said Sudan would increase its import of Malaysian palm oil by 80,000 tons a year from about 40,000 tons at present. On his visit, he said Sudan could gain from Malaysian experience in economic and industrial development as well as in agricultural and scientific research. He said after several fruitful discussions, including with Prime Minister Datuk Sri Dr. Mahathir Mohamed, Sudan found there are areas for cooperation with Malaysia.

Commentary Hails Enhancement of Ties With Sudan

BK1006092891 Kuala Lumpur Voice of Malaysia in English 0800 GMT 10 Jun 91

[Station commentary]

[Text] Malaysia and Sudan signed two agreements last week to step up cooperation in the economic, scientific, technical, and cultural fields. As a result, both sides agreed to promote the exchange of publications and researchers besides undertaking technical cooperation in various fields. Also, efforts would be enhanced to promote investments and boost economic ties.

The move is timely as it would add more depths to the bilateral trade between the countries. Moreover, despite earlier agreements, trade between them has been relatively small. Malaysia, on its part, is keen to establish strong ties with as many countries as possible. Recognizing the economic difficulties Sudan and many other African countries are facing, Malaysia is prepared to help in whatever it can. But Malaysia believes there is more gain to be reached from trade than just offering aid. Toward this end, the exchange of visits by businessmen is being encouraged. Last year, Malaysia's exports totaled 35.57 million ringgit, which mainly comprised palm oil. Imports were at 840,000 million ringgit [figures as heard], mainly comprising cotton.

It is understood Sudan is trying to liberalize its economy and is offering all kinds of incentives to foreign investors. This is where Sudan can learn from Malaysia. Malaysia itself embarked on such a policy more than four years ago. Today, this has aided the country in achieving one of the most successful growth-oriented economies among developing countries.

It is encouraging to note also that Sudan has asked Malaysia how to carry out its long-term economic planning on a coexistence basis. In this respect, Malaysia has much to offer. Sudan can extract much knowledge as to how Malaysia has been able to achieve both political stability and encouraging economic growth.

Another major area for development is Sudan's oil industry. Here Petronas, the National Oil Corporation of Malaysia, can offer much expertise and technical advice. Sudan is among African countries which has large reserves of gas and oil. As far as Malaysian businessmen are concerned, they should diversify their markets to include African countries. They should exploit whatever investment opportunities Sudan has to offer. On training, Malaysia has agreed to train more Sudanese under the technical cooperation program this year.

Malaysia offers many training facilities to officials of other developing countries, including Africa. It is committed toward playing its part in providing assistance to the Third World. Malaysia knows with a stronger economy, African countries would have better bargaining power in world affairs. Also, they would not be exploited by the industrialized West. By being economically strong, African countries can achieve political stability to a significant extent. Political instability seems to be the major problem confronting African states.

Despite repeated calls, it looks as if the richer countries are not doing enough to help the development of the economies of the poor countries. But more often than not, the superpowers are involved in the political turmoils of these countries. They act out of their power placed behind the scene at the expense of other poor countries. In contrast, Malaysia is calling for greater efforts in bringing about progress and development to these states. It is not interested in merely paying lip service. The agreements just signed with Sudan are proof of its sincerity in wanting to help (?these countries).

Commentary Lauds PRC, Urges Japan's Support

BK0706143491 Kuala Lumpur Voice of Malaysia in English 0800 GMT 7 Jun 91

[Station commentary]

[Text] Malaysia's proposal for the formation of the East Asia Economic Grouping, EAEG, has received fresh encouragement with the expressed support of China for its establishment.

President Yang Shangkun, who is presently on a state visit to Indonesia, was firm in his opinion that the EAEG was vital in strengthening regional cooperation and has a positive signficance toward increasing the economic strength of East Asian countries. China, which feels that any form of regional cooperation will be incomplete without its participation, wants to cooperate with its Southeast Asian neighbors in efforts to establish a new type of international relations and promote peace. According to Mr. Yang, a new international order should be established on the principles of mutual respect and non-interference in the internal affairs of individual countries.

This expression of support from China for the proposed EAEG is most welcome as it would boost ASEAN's efforts in promoting the economic strength and growth of countries in East Asia. China is an important member of this region and its views are considered vital in the pursuance of ASEAN's promotion of free world trade. Moreover, it is a member of the UN Security Council and has a strong voice in matters of global significance. When there are countries which make attempts to abort ideas such as the formation of the EAEG, ASEAN and other countries in East Asia can look toward China to make a dissenting voice to view such ideas in their proper perspective.

ASEAN countries are still nurturing hopes that Japan will come forward to see the positive aspects of the EAEG concept. As the vice president of the Malaysia-Japan Economic Association, Tan Sri Azman Hashim said at the association's annual conference in Kyoto yesterday the support of Japan is crucial to give the EAEG consultative group an added strength. Japan should be able to sympathize with the East Asian countries' needs for such a forum to discuss various trade issues that concern them with the aim of promoting freer and greater global trade. Japan, as one of the world's major industrialized powers, has to play its part in helping her other East Asian neighbors to achieve greater economic stability.

The developing countries in this region are not vying to be economic powers of the stature of Japan or nations of the developed West. What they want and need is an opportunity for greater access to the world market for their products so that their peoples can enjoy better standards of living. It is well known that Japan has spread its wings to the vast corners of Asia. Japanese conglomerates have established themselves and poured in millions [of dollars] of investments in Southeast Asia. They have found in these countries an adequate supply of skilled and relatively cheap labor. Their investments have been to the mutual benefit of Japan and the countries she has invested in. It is now for Japan to show a greater sense of purpose and commitment by supporting the formation of the EAEG.

The stalled Uruguay Round of multinational negotiations under GATT have become a source of worry and concern for the developing countries. As the minister of international trade and industry, Datuk Sri Rafidah Aziz, says, so long as the GATT meetings remain inconclusive, countries with less economic strength such as those in East Asia will continue to face numerous economic problems.

While Malaysia and ASEAN welcome China's support for EAEG's formation, they hope that similar encouragement will be forthcoming from Japan as well as the U.S. and other developed nations so that the proposed regional economic grouping can get off to a sound start.

Increasing Cooperation With PRC Discussed

BK1206102691 Kuala Lumpur BERNAMA in English 0648 GMT 12 Jun 91

[Text] Kuala Lumpur, June 12 (OANA-BERNAMA)—Malaysia and China have agreed to enhance cooperation in public works and water supply, Deputy Works Minister Kerk Choo Ting said Wednesday.

The construction of bridges was one aspect of public works he had discussed with visiting Chinese Deputy Minister of Construction Tan Qinglian, he said.

"China has a long history in the building of bridges," he told reporters after the meeting.

China's construction ministry undertakes the development of bridges and water supply facilities like water treatment plants. Road construction is handled by the communication ministry.

Tan, who is on a one-week visit to Malaysia, led a seven-man delegation to the meeting with Kerk at the ministry.

He said the works ministry would keep China's trade commission here informed of various projects that China could participate in.

He also said that Malaysia could benefit in the development of its defence industry as the Chinese were good in that field.

The Chinese delegation was briefed on the procedures and regulations in participating in the ministry's projects.

Sabah Party Leaders Not To Dissolve Party

BK1006105291 Kuala Lumpur NEW SUNDAY TIMES in English 9 Jun 91 p 2

[Text] Kota Kinabalu, Sat—Parti Bersatu Sabah [PBS] leaders have no intention of dissolving the party and joining UMNO [United Malays National Organization] in order to get back into the Barisan fold.

PBS Secretary-General Datuk Joseph Kurup said as long as the Rakyat [people] wanted the party, it would continue to exist and safeguard the welfare and interests of the multi-racial State polulation.

"The ruling party will not be dissolved as suggested by a certain veteran politician from a oppostion party," he said.

Opening the PBS Kuamut division annual general meeting at the Telupid community hall in Kuamut, Sandakan, Datuk Krup said the party would not alllow itself to be told what to do.

"PBS was formed by the people of Sabah and it will continue to exist and its leaders, whom the people have elected, will continue to struggle accoding to their (the people's) aspirations," he said.

Although Datuk Kurup, who is the State Finance Minister, did not mention names it was obsvious that he was referring to Sabah UMNO deputy liaison chairman Tun Datu Haji Mustapha Datuy Harun.

Tun Datu Haji Mustapha had, on Wednesday, said that dissolving PBS and with its leaders, as well as members, joining UMNO would be the only way for the party to rejoin Barisan.

He said by joining UMNO, the desire of PBS' leaders to be back in the national coalition could be realised.

Tuin Datu Haji Mustapha had said such a move would be in the interests of the people of Sabah as well as to ensure unity and political stability in the State.

Datuk Kurup said that the veteran politician should first look into his own party affairs and officially act to dissolve the party rather than keep it under the guise of an association.

"I know too well what type of politics this veteran politician is playing, he keeps USNO [United Sabah National Organization] as an umbrella for his own political ends," he said.

He said that at the moment only PBS, a Sabah-based party, existed to protect and safeguard the welfare and interests of the people.

Datuk Kurup said PBS leaders, especially its president and the Chief Minister Datuk Seri Joseph Pairin Kitingan, were all strong will leaders who could withstand pressure from any quarter.

Former PBS Leader Ready To Name Secessionists

BK1106154391 Kuala Lumpur NEW STRAITS TIMES in English 10 Jun 91 p 1

[By Joniston Bangkuai]

[Text] Kota Kinabalu, Sun.—Akar [People's Justice Movement] President Datuk Mark Koding said he knew of several top Parti Bersatu Sabah [Sabah United Party] leaders who were behind the move to pull Sabah out of Malaysia and was prepared to name them.

The former Parti Bersatu Sabah [PBS] senior vice president said he was willing to cooperate with the authorities in their investigation.

Datuk Mark was sacked as Sabah's deputy chief minister in 1988 for allegedly acting in a manner detrimental to the PBS interest.

"I know of their involvement because I was once with the PBS. There are four of five of them who are involved in the plot hatched in 1986," he told reporters at the Akar Headquarters after announcing the appointment of the party's 14 Chinese pro tem divisional heads.

Asked if the alleged secession plot was brought up for discussions either in the cabinet or in the PBS Supreme Council, Datuk Koding said there have been many informal meetings on the matter.

Datuk Koding said the involvement of some PBS leaders in the plot was one of the main reasons that prompted him to leave the PBS.

Since the plot was uncovered, several people, including Sabah Foundation Director Datuk Dr. Jeffrey Kitingan who is also a brother of Sabah Chief Minister Datuk Joseph Pairin Kitingan were arrested under the Internal Security Act (ISA) for questioning.

He said the PBS should be deregistered as it contained people who want to pull Sabah out of Malaysia.

He described the PBS as untrustworthy and should never be readmitted into the Barisan Nasional [National Front].

"It would not be wise for the Barisan to blindly reaccept the PBS without taking into account its past record," he said.

For the past few weeks several PBS leaders have openly expressed their opinion that [the] PBS should seek to be readmitted into the Barisan in the interest of the people of the state.

Datuk Koding said the Barisan must not allow itself to fall into the trap of the PBS again.

"If they want to rejoin the Barisan just to save the neck of some of its leaders, then that is very unfair," Datuk Koding said.

Singapore

Premier Says More Malays May Enter Military

BK1106150991 Singapore THE STRAITS TIMES in English 11 Jun 91 p 1

[Text] More Malays may enter the armed forces and attain high office as the Malay community here becomes more integrated into Singapore society, Prime Minister Goh Chok Tong has said.

And there is no reason why a Malay Singaporean cannot not be Prime Minister, although this was not likely to happen in the near future, he said in an interview published in the English-language edition of ASIAWEEK magazine this week.

Mr. Goh was responding to a query from ASIAWEEK's Singapore-based senior correspondent, Mr. Roger Mitton, who asked if Malays here could aspire to high office.

"There are certain areas, like the armed forces, where the subject is quite delicate," he replied.

"The more we understand our own Malays, in the sense that they now go through the same schools, the more open we will be.

"It's possible that over the longer term more will be taken in."

Saying that each Malay would be assessed on his own merits, he pointed out that the Government had still to take into account the possibility of conflict between a Malay's loyalty to Islam and the state.

"There's no point in being hypocritical about this or misleading people.

"Beyond that, politically, there's no reason why a Malay cannot aspire to be Prime Minister.

"But in practice, I don't see this coming in the near future."

Parts of the wide-ranging interview were also published in the Chinese edition of ASIAWEEK, Yazhou Zhoukan, and were reported in THE STRAITS TIMES last week.

During the interview, which marked his sixth month in office, Mr. Goh was also asked if he was happy with his performance so far.

He replied: "I don't believe in self-appraisal publicly. Privately, I do my self-appraisal with my friends.

"Also, politics is a marathon.

"So I'm not interested in a public evaluation of 100 days or six months of the Goh Chok Tong Government.

"That may be the American or the Western style where the Government is not expected to stay on for more than one or two terms.

"Here, we have got to pace ourselves for bigger goals and bigger surprises."

Cambodia

SPK: Chea Sim Continues Visit to France

BK1206074891 Phnom Penh SPK in French 0436 GMT 12 Jun 91

[Text] Phnom Penh 12 Jun (SPK)—According to AFP, the chairman of the Cambodian National Assembly on Tuesday talked about a "rapprochement" with France after a meeting in Paris with French Foreign Minister Roland Dumas.

Chea Sim, who arrived in France on Monday for a medical checkup, also said he has "firm hope for a forthcoming meeting of the Paris Conference on Cambodia (PICC)," adjourned since August 1989.

The Chairman of the Camodian National Assembly told AFP at the end of his meeting with Roland Dumas, cochairman of the PICC, that the talks were on "the search for a solution to the Cambodian problem" and termed the meeting "very important."

He estimated that Prince Sihanouk's initiatives "could relaunch the Paris conference" and expressed the hope that the future discussions of the Supreme National Council (SNC) in Thailand on 24 June would (?be) "productive." He stressed that an ageement was reached with Prince Sihanouk on the extension of the cease-fire.

Answering a question on China, the main backer of the Khmer Rouge, Chea Sim wished for a "normalization" stressing the "goodwill" put forward by his country to have "good relations" with Beijing. Phnom Penh will do "all it can" in this direction, he added.

PRACHEACHON Hails Prospects for Peace

BK1206071291 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 11 Jun 91

[PRACHEACHON editorial: "The State of Cambodia's Goodwilled and Truthful Policy of Peace Always Radiates"]

[Text] The current subject that has drawn the avid attention of the Cambodian people and the international community is the recent second meeting between the the Paris International Conference on Cambodia [PICC] cochairmen and the Cambodian Supreme National Council [SNC] in Jakarta, Indonesia.

Although this meeting was once again sabotaged by the genocidal Pol Pot clique—represented by Khieu Samphan—in an attempt to hinder the process to seek peace through peaceful political means, there were new possibilities which can serve as a favorable basis for successive negotiations to seek peace for Cambodia.

The agreement reached between Comrade Hun Sen and Samdech Sihanouk on the structure of the SNC, the appeal for the extention of the voluntary cease-fire and the cessation of foreign military aid to all warring Cambodian factions, and the agreement on successive meetings between Comrade Hun Sen and Samdech Sihanouk in Pyongyang, Phnom Penh, or other places have been warmly welcomed by the national and international public which regards all these as a concrete step in the process to seek peace for Cambodia, a contribution to accelerating national reconciliation, and the creation of conditions for building our beloved Cambodia. This is achieved thanks to the State of Cambodia's policy of national reconciliation and goodwilled and truthful peace.

With each passing day, the world community has increasingly accepted the Government of the State of Cambodia as the appropriate representative of the Cambodian people which has been playing its indispensable role on all international forum to seek peace for Cambodia.

Again at this meeting in Jakarta, the State of Cambodia—which is controlling the entire country and people and gaining military superiority in the 1990-91 dry season over the cruel and barbarous war of destruction conducted by the genocidal Pol Pot alliance—took the lead in breaking through the deadlock and averting the failure caused by the Pol Pot clique with the aim of carrying on its warlike policy to continue shedding blood of its own people.

As a matter of fact, at the Jakarta meeting, Khieu Samphan rejected all of the Hun Sen-Sihanouk agreements and pledged to carry on the war since he was disappointed with the outcome of this meeting.

The Cambodian people throughout the country would like to express their delight, respect, and gratitude to our party and government which have continuously and tirelessly strived, braving all obstacles, to seek a genuine peace for the nation and people.

We would like to express our unswerving support for the correct policy that is full of the goodwill and truth of our government and call on the Cambodian groups on the other side to follow suit by showing, not only in words but most importantly through concrete deeds with clear assurance, their stance to oppose and check all possibilities for the genocidal Pol Pot regime to return in any form to Cambodia.

We would like to express our gratitude to and warm welcome for the efforts made by the PICC cochairmen, special the envoy of the UN secretary general, the Indonesian Government, the Royal Government of Thailand, and the international community which have contributed to seeking a way for a peaceful solution to the Cambodian problem.

We would like to appeal to them not to allow the peace process to become the hostage of the genocidal Pol Pot clique.

As they had been victimized by the genocidal Pol Pot clique and the cruel and barbarous war of destruction conducted by the genocidal Pol Pot alliance, the Cambodian people, more than anyone else, want peace, national reconciliation, and their right to self-determination just like all other nations in the international community. Therefore, any political solution for Cambodia must ensure respect for Cambodian people's sovereignty and right to self- determination and clearly guarantee that there will be no recurrence of the genocidal Pol Pot regime.

SPK Reports Cease-Fire Violations 4-9 Jun

BK1206071191 Phnom Penh SPK in English 0513 GMT 12 Jun 91

[Text] Phnom Penh SPK June 12—More government positions in various provinces, especially the northwestern ones, repeatedly came under the Khmer coalition troops' attacks between June 4 and 9.

On June 4, about 150 men of Pol Pot Division 519 gathered at a place 14 km northeast of Svay Chek, Banteay Meanchey Province.

Nine scouts of the Pol Pot faction were also sent to reconnoitre an area 14 km east of Svay Chek in order to engage the government forces in Tapho. That day, around 100 Polpotists of the same division, together with recoilless guns and anti-tank rocket launchers, were sent as reinforcements to an area 8 km west of Srei Snam District, Siem Reap-Oddar Meanchey. The enemy troops also engaged the government forces at a place 15 km northeast of Puok District, in the same same province.

On June 5, the coalition troops fired 15 shells from 122D30 and 76.2-mm recoiless guns on O Preal in the Fourth Military Zone (Siem Reap and Banteay Meanchey).

That day, about 30 Polpotists were dispatched to an area 11 km northwest of Svay Chek, Banteay Meanchey. They also carried a quantity of ammunition to a region 5 km northwest of the same location.

Forty Polpotists were deployed at an area 15 km northeast of Phnum Srok District.

Also on June 5, about 200 men of Pol Pot Division 519, together with recoilless guns and rocket launchers were sent to a field 13 km southwest of Samraong District, Siem Reap. Another group with one tank carried ammunition to Kouk Samraong for their coming offensive against the government forces in nearby regions.

In Kratie Province on June 5 the enemy troops made an ambush on the government forces in an area 14-15 km west of the district town of Chhlong.

On June 6, around 70 Polpotists engaged the government paramilitary forces in an area 21 km northeast of Puok District, Siem Reap. That day, they transported (?to a zone) 10 km sothest of Srei Snam in the same province.

Also on June 6, about 20 troops of the Moulinakan faction (Sihanoukist) made a foray into Kon Kriel Village and launched an offensive against the government forces, wounding eight people, including three women, and destroying two dwelling houses.

In Samraong District, also in Siem Reap Province, the enemy troops pounded 13 shells from 122D30 a 75-mm recoilless guns into an area 12 km est of the district.

A Khmer opposition attack on a government post was also reported on June 5 in a commune in Sandan District, Kompong Thom Province.

On June 7, about 120 troops of Pol Pot Division 519 were deployed at two areas 8 and 20 km east and northwest of [name indistinct] Srok District. That day, 11 Sonsannians were also sent to a place 12 km northwest of the same district.

On June 7 in Battambang Province the enemy troops slammed four shells from H-12 recoilless guns into an area in Bavel District. They also made an ambush on the government forces in an area 28 km southwest of the same district. That day, some 100 enemy troops hid themselves in a place 12 km northeast of the provincial town of Kampot, and went to reinforce aposition at "Phnom Voa" mountain.

On June 8, the enemy troops massed at four areas 4, 5, 14 and 15 km northwest, ?orth, northeast and southeast of Svay Chek, Banteay Meanchey, in an operation against government forces in the region.

On June 9, troops of the Pol Pot and Son Sann factions were dispatched to an area 26 km northwest of Kompong Svay District, Kompong Thom Province.

New Airline Flies Phnom Penh-Singapore Route

BK1206065691 Phnom Penh SPK in English 0451 GMT 12 Jun 91

[Text] Phnom Penh SPK June 12—The "Phnom Penh Airways" of Cambodia will conduct its first direct flight from Phnom Penh to Singapore on June 18 with a "F-2K-1000" jet capable of carrying 65 passengers on board.

The Phnom Penh Airways has been set up by Chrun Yuhak, an overseas Khmer in Hong Kong, who acts as manager. It hires the jet from "Pelita Air" of Singapore for the service.

The plane will take off from Phnom Penh and land at Singapore every Tuesday.

This is a new airline set up in Cambodia in addition to the "Star Airways" which operates two flights a month on the Phnom Penh- Singapore air-route. Cambodia has also opened direct air route between Phnom Penh and Bangkok with the "Bangkok Airways" whose flights have been increased to five times a week to serve the increasing number of passengers.

Reduced Amount of Paddy Bought Nationwide

BK1206094091 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 11 Jun 91

[Text] According to reports by the Industry Ministry, by the end of May only 98,200 tonnes of paddy, or 24 percent of the plan, had been bought nationwide. Three provinces have achieved half of their plans with Takeo Province buying 21,315 tonnes, or 56 percent; Siem Reap-Oddar Meanchey Province buying 16,450 tonnes, or 51 percent; and Preah Vihear Province 50 percent.

Generally speaking, the production work this year has been reduced by more than half compared to the same period the previous year.

Sihanouk Office Says SNC To Meet on 24 Jun

BK1206081191 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT

[Text] The office of the personal representative of Samdech Norodom Sihanouk in Cambodia and Asia on Tuesday 11 June officially issued a press communique saying that at the initiative of Samdech Norodom Sihanouk, a member of the Supreme National Council [SNC], the 12 SNC members will meet in Phatthaya City, some 100 km south of Bangkok, Thailand on 24 June.

According to the communique, the four Cambodian parties have agreed to Samdech Norodom Sihanouk chairing the conclave and the agenda for the meeting will be decided at an appropriate time in the future. Samdech Norodom Sihanouk, in his capacity as the coordinator in organizing the SNC meeting, has proposed inviting the cochairmen of the Paris International Conference on Cambodia and UN Secretary General Javier Perez de Cuellar to send observers to participate in the meeting as well.

Commentary on Dismantling of All Forces

BK1206032491 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 11 Jun 91

[Station commentary: "Only After All the Armed Forces Are Dismantled Can There Be a Comprehensive Political Solution for Permanently Ending the Vietnamese War of Aggression Against Cambodia"]

[Text] The Hanoi Vietnamese aggressors and the traitorous puppets—Vietnam's lackeys in Phnom Penh—have vehemently opposed the armed forces of the four Cambodian factions in line with the peace plan of the five permanent members of the UN Security Council [UNSC] and demanded the puppet armed forces be maintained totally or up to this or that percent.

The Cambodian people as well as the world community have resolutely opposed the Hanoi authorities' and their puppets' scheme to maintain the puppet army. This is because:

1. If the puppet army is maintained totally or partially, Vietnam will be able to continue hiding its troops in Cambodia. Currently, there are between 50,000 and 70,000 Vietnamese troops in Cambodia.

2. If these 50,000 to 70,000 Vietnamese troops are still in Cambodia, there will be no peace or security in Cambodia and there will be no neutral atmosphere for holding a free and fair election there in line with the UN peace plan. This is because the Hanoi authorities would certainly order these implanted troops in Cambodia to open fire everywhere to destroy the election and the settlement of the Cambodian problem through comprehensive political means in line with the document of the five UNSC permanent members.

3. Cambodia will certainly become a Lebanon in Asia in which there is endless fighting and dispute. If this happens, Cambodia will certainly become a victim of Vietnam and no one will be able to rescue it. The Cambodian people and the Cambodian National Resistance [CNR] forces have resolutely opposed the maintenance of the armed forces of all Cambodian factions because this cannot resolve the Cambodian problem but will only turn Cambodia into another Lebanon which will immediately become a victim of Vietnam.

The Cambodian people, CNR forces, and the international community are of the opinion that the 28 August 1990 framework document and the 26 November 1990 draft agreement for a comprehensive solution instructing the dismantling of the armed forces of all Cambodian factions are very reasonable, correct, and realistic. This is because:

1. They ensure a genuine, total withdrawal of Vietnamese aggressor forces from Cambodia—a key to the comprehensive political settlement of the Cambodian problem.

2. They ensure the dismantling of all armed forces and provide peace, stability, and a neutral political atmosphere for holding a free and fair election in Cambodia.

3. Only after the armed forces are dismantled can there be a guarantee of implementing the draft agreement on a comprehensive solution, particularly after the election.

Therefore, only after the armed forces of all Cambodian factions are dismantled as defined in the framework and elaborated documents dated 26 November 1990 can the Cambodian problem be resolved comprehensively through political means, thus enabling Cambodia to enjoy peace, independence, sovereignty, territorial integrity, and the right to self-determination conducive to lasting peace, security, and stability in this region as a whole.

VONADK: Position in Koh Kong Attacked

BK1206020491 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 11 Jun 91

[Text] At the end of May 1991, the Vietnamese enemy aggressors brought in 80 Vietnamese soldiers and a number of armed Vietnamese nationals from Vietnam to Thmar Sar Village, Thmar Sar Commune, Botumsakor District, on the Koh Kong battlefield, to administer and control our people there. Upon their arrival, they most brutally and savagely plundered our people's property, paddy, rice, land, and homes. Our people are very angry with these Vietnamese enemy aggressors.

On 6 June, our people informed our national resistance forces operating nearby and led us to attack and destroy the position of the Vietnamese enemy aggressors in Thmar Sar. We killed five enemy soldiers, including a Vietnamese commander with the rank of captain and wounded three others.

Indonesia

Trade Minister Speaks on Outcome of Talks

BK1106153791 Jakarta ANTARA in English 1022 GMT 11 Jun 91

[Text] Jakarta, June 11 (OANA-ANTARA)—ASEAN is not yet convinced by West Europe's guarantee that the 1992 European Single Market would not be more protective than the previous one, Indonesian Minister of Trade Arifin Siregar said here Tuesday.

The minister made the statement to the press after a meeting with President Suharto at the Bina Graha Presidential Office to report the result of his recent talks with ministers of the European Community in Luxembourg.

"They always stressed that West Europe would not be more protective, but ASEAN said that it was not convinced considering that there were indications towards protectionist attitudes as reflected in the imposition of textile quotas," the minister explained.

During the meeting between ASEAN economic ministers and the European Community in Luxembourg, the ASEAN ministers urged West Europe to keep its promise that the European Single Market would not become even more protectionist.

To anticipate possible emergence of various problems in the future, ASEAN proposed that a joint forum be set up, Siregar said adding that the European side is studying the proposal.

Citing as an example for a problem that could appear in the future, the minister pointed to the case of the Indonesian garment firms that Europe had accused of dumping their products into the West European market.

The minister feared that such an accusation was raised to discourage exports from the developing countries, including Indonesia.

Explaining the result of his visit to Saudi Arabia in an attempt to increase bilateral trade between the two countries, Minister Siregar said that there is an image in that country that Indonesia produces only cheap goods.

The bad image is among other things due to the fact that Indonesians take with them cheap goods when they pay hajj pilgrimage in Saudi Arabia.

"They do not know that Indonesia is able to produce good quality and expensive products," the minister said, adding that Saudi Arabian authorities requested Indonesia to make efforts to improve the bad image.

He said that Indonesia could increase its exports to Saudi Arabia, even though the goods which are needed by the Saudi Arabian consumers are those of the high quality ones.

The minister said that the Indonesian exports to Saudi Arabia in 1990 reached 1.4 billion U.S. dollars and its imports from that country in the same period were noted at one billion U.S. dollars.

TEMPO Interviews Sudomo on Travel Ban

BK1106015691 Jakarta TEMPO in Indonesian 18 May 91 pp 32,33

["Excerpts" of interview with Coordinating Minister for Political and Security Affairs Sudomo by TEMPO correspondent Leila S. Chudori in Jakarta on 10 May]

[Text] [Chudori] What is the legal basis for the government preventing people from leaving or entering Indonesia?

[Sudomo] Indonesia is not the only country which prevents people from leaving or entering. Why? Because it involves state security and the possibility of subversive activities still exists. Therefore, this action is preventive. The legal basis of the government to take this action is the Constitution, human rights, and valid laws. Singapore and Malaysia have the Internal Security Act, which has the preventive power of detention [four preceding words in English]. In these two countries, a person who speaks slanderous words can be detained for up to two years.

[Chudori] Can you explain in detail to what extent the Petition of 50 group has jeopardized the state security?

[Sudomo] They can discredit the government. For instance, they have said there is no democracy, there is only corruption in the country, or they told foreign governments not to give financial assistance to Indonesia.

[Chudori] Has it been proven that they are saying those things?

[Sudomo] Why not? Look at the recent meeting of Indonesian nongovernmental organizations in the United States? Anybody can say such things. As for the Petition of 50 group, we want to refer to their statement of concern in 1980, the contents of which were slandering the president.

We may or may not sue them in court. It depends on us. The fact is the government continues to function and President Suharto is reelected, which means people continue to trust him. Therefore, why we should we sue them?

[Chudori] What is the difference between criticism and slander? Can you give me the definition?

[Sudomo] Have you read their statement? It amounts to a crime against public order—according to Articles 154 and 155 of the Criminal Law. As for the slander against the president, they wanted us to prove it in court. That is not necessary. Why should we give them publicity?

[Chudori] Why is the Petition of 50 group called dissident? [preceding word in English]

[Sudomo] According to the Oxford American Dictionary, dissident means disagreeing; person who disagrees; one who opposes the authorities. I have never used the term opposition. For me, the Petition of 50 group is a dissident group which covers all three definitions mentioned above. I have used the term dissident since I was still commander of KOPKAMTIB [Command for the Restoration of Security and Order]. If they had expressed their views properly through parliament, there would have been no problem.

[Chudori] Don't they bring their grievances to parliament?

[Sudomo] Yes, but some of their statements are not pure criticism, but slander. Therefore, the government considers them as slanderers. Slander and criticism are two different things. Criticism is based on facts. But what about this? (Sudomo produced a copy of the Statement of Concern issued by the Petition of 50 group). Its contents are slanderous.

As for foreign travel, if they do not issue statements which discredit the government, they can go. They can go to the moon if they want to.

[Chudori] Is it unconstitutional to be a dissident in Indonesia?

[Sudomo] No, as long as he does not break any laws, there will be no problem.

[Chudori] Is the Petition of 50 group or other nongovernmental organization that powerful that they can influence the allocation of foreign government's financial aid?

[Sudomo] The problem arises when they issue statements. The travel ban imposed on them is preventive in nature. If they can guarantee they will issue no statements, of course they can travel overseas.

[Chudori] Is it true that the Petition of 50 group has issued statements or hold talks with officials of IGGI [Intergovernmental Group on Indonesia] or the World Bank?

[Sudomo] Things are visible in the daytime, but not so at nighttime. Obviously I do not have to reveal all what we know. You will not believe what kind of statements they have made.

[Chudori] Foreign diplomats and journalists also monitor the situation in Indonesia. Why do we have to impose a travel ban?

[Sudomo] Ask the Petition of 50 group why they have to issue statements overseas!

[Chudori] The IGGI has its own rules to give its financial assistance. Is it possible that the Petition of 50 group's action will reduce the IGGI aid?

[Sudomo] What they talk about when they are outside the country is crucial. If for instance there is a demand saying: "Do not give aid to Indonesia because there are no human rights in that country, or there are many political prisoners," that will be troublesome.

[Chudori] Earlier, you said the dissidents may travel overseas, but later, you said they had slandered the president. Did you meet and talk about it with the president?

[Sudomo] No, this is a general policy, which even the KOMKAMTIB used to adopt. At present, the agencies in charge of this are the Justice Department, the Supreme Court, Attorney General's Office, State Intelligence Agency, and the armed forces commander.

[Chudori] Do all these agencies operate under your jurisdiction as far as the travel ban is concerned?

[Sudomo] No. Earlier, they compiled the lists of those under the travel ban separately and presented them to the justice minister, but now I work together with them. In the future, there will be meetings with each agency concerned to decide a common perception toward the problem and review the lists.

[Chudori] Why do you have to do that?

[Sudomo] To be open to the public, we must have a legal basis for this. Our actions are based on the Constitution, human rights, and valid laws.

[Chudori] Why has the travel ban been imposed in an excessive manner? An example is when the wife of a Petition of 50 member faced difficulties and had to change her old passport into a new one which bore her former last name.

[Sudomo] Well, who issued the order for that? Besides, that issue has been solved.

[Chudori] Why is General Nasution [former armed forces chief] banned from leaving the country? Is he also on the travel ban list?

[Sudomo] I believe his case is different. He is a Petition of 50 supporter.

[Chudori] What happens if the Petition of 50 sues the government in court?

[Sudomo] They can do that. No problem.

[Chudori] The Petition of 50 consists of prominent people. Do you think that imposing a travel ban on them will destroy the government's image among the international community?

[Sudomo] I do not think so. It is our prerogative.

[Chudori] What if Indonesia is accused of violating Article 13 of the UN Human Rights Convention?

[Sudomo] Are they in charge of each country's security? It is normal there are those who want to threaten the country's security.

[Chudori] Slamet Bratanata, a member of the Petition of 50 group, is an instructor of the Pancasila Ideology Indoctrination Program. Do you think he can pose a threat to the state security?

[Sudomo] Why not? Ask him why he acts that way.

[Chudori] On what condition can these people have their names removed from the travel ban list?

[Sudomo] It depends on their own actions.

[Chudori] Will the nongovernmental organization officials who discredit the government be put on the travel ban list?

[Sudomo] If it is proved that they want to obstruct the flow of foreign aid, they will certainly face the consequences.

[Chudori] Are they allowed to go on hajj pilgrimage to Mecca?

[Sudomo] They can go. What we find objectionable is when they issue statements which discredit the government and cause the reduction of foreign aid.

[Chudori] The Petition of 50 group issued its statement 11 years ago. Why do you say the statement is slanderous only now?

[Sudomo] It was the KOPKAMTIB that dealt with this issue. At that time, I was KOPKAMTIB commander and I told reporters that the statement was slanderous. The House of Representatives gave no response and did not raise the issue with the president.

[Chudori] When you were still KOPKAMTIB commander, did you tell them their names were on the travel ban list?

[Sudomo] What for? How would the announcement affect state security?

[Chudori] Are you going to meet the Petition of 50 group?

[Sudomo] If they want to have a meeting, they can write me a letter. They need me, not the other way around.

Joint Malaysian Border Scrutiny Meeting Opens

BK1106171291 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 11 Jun 91

[Text] Air Marshall Sudibyo Raharjo, chief of general staff of the Indonesian Armed Forces, said a long period of time is needed to finish mapping the two countries' common border areas. After opening a meeting of the Indonesian-Malaysian border scrutiny session in Yogyakarta today, Air Marshall Sudibyo said a point of convergence is needed for the mapping. When this is decided, an agreement can be reached.

In his capacity as chairman of the National Territory Coordination Committee, Air Marshall Sudibyo admitted that differences of opinion between Indonesia and Malaysia exist because Malaysia uses English-version maps while Indonesia uses Dutch-version maps.

Official Remarks on Results

BK1206040491 Jakarta Radio Republik Indonesia Network in Indonesian 1000 GMT 11 Jun 91

[Text] Air Marshal Sudibyo Raharjo, chief of the General Staff of the Indonesian Armed Forces, says the scrutiny of common border areas between Indonesia and Malaysia in Kalimantan, conducted for 16 years, has achieved satisfactory results. This was disclosed by Air Marshal Sudibyo Raharjo after he opened a meeting of the Indonesian-Malaysian border scrutiny committee in Yogyakarta this morning.

He noted that about 1,500 kilometers of border area will still have to be scrutinized in stages by the two countries despite the existence of technical and nontechnical problems. The meeting between the Indonesian delegation led by Nugroho and on the Malaysian side by Datuk Haji Zainal Abidin will be continue until 14 June.

Laos

Phoun Sipaseut Receives New PRC Ambassador

BK1106103891 Vientiane KPL in English 0914 GMT 11 Jun 91

[Text] Vientiane, June 11 (KPL)—Mr. Huang Guocai, new ambassador extraordinary and plenipotentiary of the People's Republic of China to Laos, yesterday paid a courtesy visit to Mr. Phoun Sipaseut, vice chairman of the Lao Council of Ministers and foreign minister. On June 6, 1991 the new ambassador presented his credentials to the Lao Acting President Mr. Phoumi Vongvichit.

Polish Foreign Minister Sends Message

BK1206024491 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 12 Jun 91

[Text] Recently, Polish Foreign Minister Krzysztof Skubiszewski sent a thank-you message to Phoun Sipaseut, vice chairman of the Council of Ministers and foreign minister of the Lao People's Democratic Republic, for the latter's message of congratulations and best wishes sent to him on the occasion of the 3 May national day of the

Republic of Poland. The Polish foreign minister also extended his best wishes for happiness to our Lao foreign minister.

Envoy to Bulgaria Ends Diplomatic Mission

BK1206031491 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 12 Jun 91

[Text] A press release from the foreign affairs ministry noted that after conferring the (Phikanik) Order on Somsavat Lengsavat, ambassador extraordinary and plenipotentiary of the Lao People's Democratic Republic [LPDR] to the People's Republic of Bulgaria, on 5 June, Bulgarian Vice President Atanas Semerdzhiev said that the Bulgarian Government highly valued the contributions made by the Lao ambassador to the consolidation and strengthening of fine relations between the two countries—Bulgaria and Laos.

On the same day, Somsavat Lengsavat also called on Viktor Vulkov, deputy chairman of the Council of Ministers and foreign affairs minister of Bulgaria, to bid him farewell after ending his diplomatic term in that country. Somsavat Lengsavat became LPDR ambassador to Bulgaria in 1989.

Philippines

Senator Asks U.S. To Aid in Modernization

HK1206053391 Manila THE CHRONICLE in English 12 Jun 91 p 6

[Text] Senator Ernesto Maceda wants the Americans to help shoulder the armed forces' long-term modernization program by assuming a big bulk of the P [pesos] 150 billion program under its bases compensation package.

Maceda, who is also the chairman of the Senate committee on national defense, said the government can not afford to shoulder the additional P14 to P16 billion annual outlay over and above the normal defense and military allocation.

He also said the "weak negotiating posture" of the country's bases panel neglected the requirements of the armed forces to modernize its communications, mobility and firepower systems.

In another move to increase and improve the capability of the armed forces, he revived a proposal for the President to grant the military special discounts for its fuel purchases from the state-run Philippine National Oil Corporation [PNOC).

He also said the naval forces were short changed by at least P400 million in its modernization program for this year. The P400 million would only be used as 15% downpayment for the three gunboats, three missile gunboats, and two logistic support vessels the country was negotiating to acquire from Spain, Australia and China.

He said the congressional leaders divided the P800 million modernization program allocation approved by the House last year to enable the police to buy its own set of uniforms. Naval authorities, however, claimed they would need about P22 million more to finance the program according to their own specifications.

Any amount lower than their proposed P422 million would affect the configuration and specifications of the vessels, they said.

Maceda said the naval authorities can still get what they wanted in terms of equipment and materials through the U.S. foreign Military Fund.

About $100 million to $150 million security assistance given by the Americans to the country annually are in the form of BMF. [expansion unknown]

Under the program, the local military can buy weapons and other systems from the U.S. defense manufacturers using the money earmarked in the bases compensation package.

But senior armed forces officials complained that the Americans were rather strict in allowing the country to buy sophisticated weapons. The Americans were only allowing the Philippine to buy items which are part of the U.S. armed forces reserve and excess materials.

Groups Hold Rally in Front of U.S. Embassy

HK1206095591 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 12 Jun 91

[By Jess Garcia for DZRH Unit No. 19]

[Text] Cause-oriented groups Kasarinlan ng Bayan [National Sovereignty], BISIG [Alliance for the Advancement of Socialist Ideology and Action], COMPRUDENT, ABAKADA, BSK, and MPD [preceeding acronymns' expansions unknown] continue to give speeches in Plaza Ferguzon in front of the U.S. Embassy.

According to the groups' leaders, while the Aquino government continues to lean on the Americans, we will have no freedom. They also oppose retention of the U.S. bases in the Philippines.

It was also gathered that they will stay up to 1700, while Philippine National ~~Police~~men remain at a barricade in front of the U.S. Embassy at United Nations Avenue and T.M. Kalaw Street.

We can see the front of the U.S. Embassy, the various flags being held by the military who are currently on parade. Our colleague Sonny Casulla will report on some of what is going on on the Luneta grandstand.

North Korean Delegation Seeks Recognition

HK1206052391 Manila THE CHRONICLE in English 12 Jun 91 p 7

[By Lito Zulueta]

[Text] President Aquino met yesterday with a North Korean delegation headed by Vice Premier Kim Dal-Hyon who expressed support for her government and asked diplomatic recognition of Pyongyang.

Kim also renounced his government's support of the local communist movement, according to Rep. Jose de Venecia, chairman of the House committee on foreign relations.

De Venecia, who accompanied the six-member delegation in an unprecedented visit of Malacanang, said Kim promised Mrs Aquino during a 30-minute meeting that North Korea would not provide support for the communist New People's Army.

The military has accused North Korea of providing arms to the Leftist insurgents.

"President Aquino warmly welcomed in Malacanang the assurances of the North Korean delegation," Venecia said in a press statement.

The Philippines and North Korea have no diplomatic ties. In 1989, however, Manila said it would explore normalizing ties with the communist country.

The Malacanang press office downplayed the visit, which was never listed in the President's official schedule for the day.

"As far as I'm concerned, there's no official call by a North Korean delegation," said Assistant Press Secretary Ma Lourdes Siytangco.

Apparently, Palace spokesman fear that South Korea, which has diplomatic ties with the Philippines, would protest the visit. Last month, Mrs Aquino assured a personal envoy of South Korean President Roh Tae-Woo that the Philippines would support his country's bid for membership in the United Nations.

De Venecia said Kim will meet with Foreign Secretary Raul Mangalpus tomorrow to discuss "future diplomatic relations" between the two countries.

The congressman added that Kim, who is also Pyongyang's economic minister, would forge a trade and economic cooperation agreement with Trade Secretary Peter Garrucho.

Kim's group arrive Saturday for a five-day visit on the invitation of Speaker Ramon Mitra as part of a parliamentary exchange after De Venecia and Rep. Miguel Romero (Negros Oriental) visited North Korea last year.

Navy To Modernize; PRC Possible Supplier

HK1206045991 Manila BUSINESS WORLD in English 12 Jun 91 p 10

[By Ma. Caridad S. Bautista]

[Text] Navy chief Rear Admiral Mariano J. Dumancas yesterday said the Government has set aside P [pesos] 400 million this year for the Navy's modernization program.

In an interview with BUSINESS WORLD, he said Budget Secretary Guillermo Carague gave assurances that the amount will be made available to the Navy.

"We now have the authority to negotiate with those who have showed interest in supplying us with warships and equipment," he said.

Among possible suppliers, is the China State Sea Building from the People's Republic of China [PROC]. The Chinese shipbuilding industry is reportedly at par with Australia and Spain.

The Navy chief said PROC is willing to give the Philippines special discount rates.

"China's offer," he said, "even without the discounted rates, is already very cheap and they gave us soft terms."

The Philippines will also negotiate with Spain and Australia. He said aside from China, Spain and Australia, the United States, Singapore and the United Kingdom will be invited for bidding.

He said these countries "will be providing us with our modernization needs for the next ten years."

Original Request

The Navy had originally asked for P1.8-billion initial downpayment for a P39.8-billion modernization scheme. However, the budget department could only approve P1 billion. The House of Representatives cut the budget to P800 million.

"In the Senate, it even went as low as P196 million," Admiral Dumancas recalled.

But now, he said, they were assured that P400 million will be made available.

He also expressed confidence that the countries they will be negotiating with will accept a two-term downpayment.

He added, "Once the President signs this into law, the Government is required to continue with the payment of the rest for the modernization of the Navy for the next ten years."

Although this program can only equal that of the Navy of Singapore, which has a very small coastline to protect, the Navy chief is confident they can at least apprehend poachers more effectively.

"We will be getting three fast patrol crafts with conventional firepower and three more with missile capability as well as two logistics support vessels," he claimed.

"And," he said, "the first ship will arrive in the latter part of next year."

Aquino Addresses Independence Day Celebration

HK1206101691 Quezon City Radyo ng Bayan in Tagalog 0718 GMT 12 Jun 91

[Speech by President Corazon Aquino at 93d Independence Day celebration held at Luneta Grandstand in Manila's Rizal Park—live]

[Text] Secretary Jesus Estanislao, Senate President Jovito Salonga, Speaker Pro-Tempore Antonio Cuenco, Your Excellencies of the diplomatic corps, fellow workers in government, my beloved countrymen:

May I greet you today on the occasion of our Independence Day celebration. I have just arrived from Pampanga because I visited one of our evacuation centers there. I wanted to know the situation of our brothers there in relation to the eruption of Mount Pinatubo. I was with Secretary Fidel Ramos, who is chairman of the National Disaster Coordinating Council, Secretary Bengzon of the Department of Health, Secretary Ping de Jesus of the Department of Public Works and Highways, Secretary Mita Pardo de Tavera of the Department of Social Work and Welfare, Secretary Pete Prado of the Department of Transportation and Communication, and Secretary Buddy Gomez.

I want to inform you that our brothers at the evacuation centers are fine and are being taken care of by government agencies. The private sector is also assisting there. Representatives from the Salvation Army and doctors and nurses were there. I also talked to our brothers there, who told me that they were brought to one of the high schools in Angeles, Pampanga on Saturday. We are hoping that none of our fellow men will be endangered and I expect you to help our government in the delivery of food and medicine to our countrymen.

It has been 93 years since General Emilio Aguinaldo declared the Philippines an independent nation. We have all invested blood and efforts in order to gain our freedom and the democracy we now enjoy. So, I call on everyone, let us not waste our democracy. We should protect and strengthen it and assure the next generation that we will never allow dictatorship to reign in our country again.

The theme of our Independence Day is: "Free people, progressive nation." Democracy is the foundation of our progress. Progress is meaningless if the people are not free.

Since 1898, there have been those who also attempted to grab our democracy and stain our national integrity. But whenever they tried to invade us, there were more of us who fought to protect our independence. The light of democracy blazed. It served as our guide and strength to suppress those who have abused and exploited us. We should thus keep our eyes open and remain observant. Let us unite and keep our hands joined and let us all prevent those who wish to sow trouble and destabilize our country. Let us also join hands to help fight poverty. Let us help one another in pursuing development projects so that we may reap together the fruits of our democracy and progress.

How can we be sure that the democracy we fought for will no longer be repressed in the future? The major protective tool for our democracy is our elections. It is important that in the next election, we should choose a leader who supports democracy. Let us make the candidates' principles concerning democracy our major basis for selecting the president and other elected officials. Let us use our right to vote in a righteous way which we can be proud of even to our sons. But while we are now thinking of our important decision in electing a new president and other officials in 1992, may I call on everyone and all candidates to continue serving our fellow men. Second, let us face the task of improving our economy. Let us stop discrediting each other. Let us be more attentive to what we can do for our country.

The other day, Secretary Raul Manglapus told me that now, the rumor is not about whether there will be another coup attempt; instead, the rumor is about who else will run for the country's presidency. All of us here, I suppose, would opt for discussion on the elections rather than on a coup d'etat. What is proper is that while we await the 1992 polls, let us unite and help our fellow men.

Last year, I launched the Kabisig [Partnership] People's Movement. Yesterday we gave awards for all the projects which we thought were the best examples of kabisig. It is a joy to know that in our country we have the priests, military, youth, women, farmers, and other sectors who joined together to help not only themselves but their areas too. So, I hope that during the last year of my term, more people will join us in our kabisig concept so that our country progresses.

Once more, let me greet you all and thank you for what you have done, not only for me but for our democracy and for the country. Thank you and long live the Filipino people.

Fidel Ramos Says Civilian Can Replace Him

HK1206052791 Manila THE CHRONICLE in English 12 Jun 91 p 6

[By Manny Mogato]

[Text] Defense Secretary Fidel Ramos said he would not oppose plans to appoint a "civilian" to replace him in his Cabinet position.

Ramos who openly batted for a former military personnel to replace him and continue his programs in the defense and military establishments said he would welcome a civilian even if he would not have a background in the military affairs so long as he can "preserve the unity and teamwork in the armed forces."

A number of retired generals and politicians closely identified with his political rivals were being rumored to replace him.

Pressures have been mounting that he quit, for he allegedly continues to use the resources of his office in his campaign.

His rivals are also doing everything to loosen his grip on the influential armed forces as they have done in the police force by appointing officials who were known for their independence and integrity.

For instance, there was already a proposal from Senator Ernesto Maceda, the chairman of the Senate committee on national defense, to keep newly retired generals and officers from immediately taking over as defense chief.

Maceda suggested a five-year waiting period for a general or any officer before they could be appointed in any executive position in the Cabinet.

The proposal would effectively block the appointment of former chief of staff Renato de Villa who is known to be a close associate of Ramos.

De Villa is widely perceived to be the next defense chief although he has not accepted the position. He is still in the U.S. with his ailing wife and appeared to be uninterested in the position.

Other contenders are former chief of staff Rodolfo Biazon who is said to be more intereted in a diplomatic post and former defense secretary and National Security Adviser Rafael Ileto.

Customs chief Salvador Mison also a retired army general, is also being rumored to replace Ramos although another general is being considered as a dark horse, Eduardo Ermita, the number three man in the defense department.

Civilians being rumored to replace Ramos include Foreign Affairs Secretary Raul Manglapus, former Ambassador to USSR Alejandro Melchor, and Congressman Jose Yap who is now the chairman of the house committee on national defense.

Speculation on who would replace Ramos has been circulating in the military camps as rumors speak of the July resignation of Ramos drawing closer.

Ramos has repeatedly told his detractors that he would resign "when the time is right" and shrugged off criticisms that he has been using his office to campaign in the provincial sorties he made almost every week.

Media Protest News Restrictions on Bases Issue

HK1206053791 Manila PHILIPPINES NEWSDAY in English 12 Jun 91 pp 1, 2

[By Arthur I. Bariuad]

[Text] Members of the diplomatic press corps yesterday protested the issuance of an order by the Department of Foreign Affairs (DFA) restricting media access amid the impending signing of the proposed bases treaty between the Philippines and the United States.

Informed sources at the DFA said that the order was issued as a move to restrict media from obtaining reliable information from DFA sources on the status of the year-old bases negotiations as the signing of the treaty draws near.

In a letter to Foreign Secretary Raul Manglapus, regular reporters covering the foreign affairs beat called for the scrapping of the order, saying that it "violates the principle of press freedom enshrined in our basic laws."

"We urge you to rescind this order as soon as possible, specifically the provision under the 'control of visitor movement,'" the letter said.

Under the order, "media practitioners/journalists shall be required to stay in the area designated for them. They shall not enter in any work area of the department unless with prior approval from OCAPIS (office of Cultural Affairs and Public Information Service) and escorted by a DFA press relations officer."

The order was issued for Mangalpus by Assistant Secretary Democrito Y. Caparas of OCAPIS last May 23, but was only released on Friday after a regular diplomatic reporter who was barred from entering the office of Undersecretary Pablo Suarez demanded a copy of the order.

It was revealed to newsmen, however, that the real reason behind the order was to bar media from gaining access to information, and to pinpoint the sources of their information within the foreign office.

The sources cited the leaks to media from "unnamed" sources which the foreign office order wants to corner.

According to veteran diplomatic reporters, a similar policy was imposed in 1988, but Manglapus disregarded the order after reporters protested. "This policy has long been proven impractical...You (Manglapus) have disregarded a similar practice before," the journalists said in the letter, adding that they saw no reason why the order should be reimposed now.

The reporters also threatened to boycott the DFA if the order would not be scrapped.

Views on Nation's Problems on Independence Day

HK1206053191 Manila PHILIPPINE DAILY INQUIRER in English 12 Jun 91 p 4

[Editorial: "Philippine Republic forever being born"]

[Text] Ninety-three years ago today, the country's revolutionary leaders declared independence from Spain, little knowing that before the year was over, our North American "allies" and "protectors" would win possession of the islands from the defeated colonial power.

The independent and sovereign Filipino republic was thus stillborn, and it seems that nearly a century since that grand dream was seized from the people's hands and crushed by the emerging imperial power, our republic has been perpetually inchoate, forever in search of maturity and fulfillment.

We are, of course, recognized as a republic by the rest of the world, even if we may feel at times that in the eyes of some foreign governments, we are only pretending to be free, that our declarations of sovereignty and self-rule are mere posturings.

Perhaps their attitude stems from an accurate reading of the people's own self-doubt, of the malaise that strikes Filipinos, from the national leadership down to barrio residents, who cannot quite believe we have come into our own as a nation.

This is the fatal flaw that undercuts our dealings with foreign states; We do not believe in our own bluster. In some coner of our minds, we are still colonials who have no right to stand shoulder-to-shoulder with our betters.

Such self-doubt is rooted to a large extent on reality. In the most important sense, we are not truly free. Our economic policies, which in the end decide who lives and who dies in this poverty-stricken land, are not crafted according to what is good for the country and people. Rather, they are formulated by foreigners, imposed by Western financial institutions, and blindly implemented by our own leaders—all to the end of ensuring that loans from foreign banks and governments, no matter how they are used and in whose pockets they land, are paid back in full.

Without economic independence, a country cannot lay claim to real sovereignty. Even our political institutions remain vulnerable to foreign influence and susceptible to intrigue from without. The negotiations on the U.S. bases, for instance, have been marked by acrimony and debate within and among Malacnanag, the House and the Senate, and even the government negotiating panel itself.

But more insidious has been the stubborn colonization of the Filipino mind. Some years aog, a Filipino educator reported that in a survey, a majority of school children said that given a chance, they would rather have been born Japanese or American rather than Filipino. There is nothing to indicate any major change in attitude in recent years. At least not when children grow up believing that the only way to prosperity is to grow up and do well enough in school so they could land a job overseas.

It is usual on occasions like this to say that while we can do very little about the present generation of leaders, there is still hope for the future in the next generation. Well, we have news for you. The future is here. Our children are even now searching for some sense of who they are as Filipinos, and not finding too many answers among their elders.

We must help them find the nation being born in their minds and hearts, and give them hope that in their lifetime, it can be realized.

Thailand

Reportage on PRC President, Delegation's Visit

Anan Meets Yang Shangkun

BK1106114591 Bangkok Army Television Channel 5 in Thai 1230 GMT 11 Jun 91

[Excerpts] Today is the second day of PRC President Yang Shangkun's visit to Thailand. At 0915 today, Chinese President Yang Shangkun left the Barom Phiman Throne Hall to lay a wreath at the Victory Monument. Also present at the ceremony was Deputy Prime Minister Police General Phao Sarasin.

Later at 1030, Prime Minister Anan Panyarachun paid a courtesy call on President Yang Shangkun and his delegation at the Barom Phiman Throne Hall in the Grand Palace. The Chinese official delegation included Qian Qichen, state councillor and foreign minister; Xu Dunxin, vice foreign minister; Wang Wendong, vice minister of foreign economic relations and trade; and Li Shichun, PRC Ambassador to Thailand. The Thai side included Foreign Minister Asa Sarasin and Thai Ambassador to Beijing Montri Chalichan.

At 1600, General Sunthon Khongsomphong, supreme commander and chairman of the National Peacekeeping Assembly, paid a courtesy call on President Yang Shangkun and his delegation at the Barom Phiman Throne Hall. Xu Xin, deputy chief of the general staff of the Chinese People's Liberation Army; Xu Dunxin, vice foreign minister; and Li Shichun, PRC Ambassador to Thailand also joined in the meeting.

At 1645, PRC President Yang Shangkun and his delegation visited the Grand Palace and the Temple of the Emerald Buddha. [passage omitted]

At 1830 today, Prime Minister Anan Panyarachun hosted a party in honor of PRC President Yang Shangkun and his delegation at government house.

King Addresses Banquet

BK1106164291 Bangkok Army Television Channel 5 in Thai 1230 GMT 11 Jun 91

[Text] His Majesty the King hosted a banquet in honor of PRC President Yang Shangkun at the Chakkri Throne hall last night. The banquet proceeded in a good, friendly atmosphere. His Majesty the King delivered a speech expressing his pleasure at having a chance to welcome the PRC President; cited the close relations between the peoples of the two countries; and expressed hope that the longstanding relations will further strengthen bilateral relations.

[Begin King Phumiphon recording] The ties, whether they exist between the governments of the two countries or between their peoples, are very close and inseparable because both have greatly cooperated, helped each other, and transferred their knowledge and thinking, as well as their cultures and traditions, to each other in every period. These longstanding ties have laid a solid foundation for the diplomatic relations between the Kingdom of Thailand and the PRC during the new period and have enabled ties to develop more smoothly and become more closely cemented.

I have been closely following China's development in all fields of endeavor with interest for many years. I have seen clearly that China, a big country with many people and several races, is able to maintain its integrity, quality, and position of living well and has improved and made the country more stable and united with its own policies, principles, and methods, which is not easy to do. I greatly admire the PRC and hold it in high esteem. [end recording]

On the occasion, PRC President Yang Shangkun also delivered a speech, expressing his happiness over the kindness accorded to him and extending his best wishes, on behalf of the Chinese people, to the Thai people. He also expressed his profound respect for the tremendous zeal devoted by His Majesty the King to the development of Sino-Thai friendship. The two countries both look upon peace and development as the goals of their efforts, though both countries have different national conditions. He also said Thailand has many valuable experiences that China can learn from.

At the end, the PRC president praised His Majesty the King's contributions over a long period of time to the development of the country and to improving the living standards of the people by initiating many rural development projects to establish prosperity for the people, and said China has faith in this.

After that there was a toast for His Majesty the King and for the friendship and cooperation between the two countries.

Anan, Yang Speeches Reported

BK1206054391 Bangkok Radio Thailand Network in Thai 0000 GMT 12 Jun 91

[Text] At Government House yesterday evening, Prime Minister Anan Panyarachun hosted a banquet in honor of PRC President Yang Shangkun, who is paying an official visit to Thailand as guest of Their Majesties the King and Queen from 10-15 June.

At 1845, Chinese President Yang Shangkun arrived at Government House. He was welcomed by Prime Minister Anan Panyarachun. A guard of honor presented a salute to the state visitor, while a brass band played the PRC and Thai national anthems.

After toasting the health of the PRC president and Their Majesties the King and Queen, Prime Minister Anan Panyarachun delivered a speech as follows:

[Begin Anan recording] Despite the differences in the social systems of Thailand and the PRC, the two countries have closely cooperated in carrying out activities to promote peace and stability in the region. Thailand is confident that the two countries will continue their cooperation after the Cambodian problem is solved, particularly in matters of mutual interest such as the development of the Mekong River, in order to bring peace and prosperity to the countries in this region.

In addition, a new step in the development of relations between the PRC and ASEAN is very gratifying and both sides will hold consultations with each other during the annual meeting of ASEAN foreign ministers in Kuala Lumpur in July this year.

I am convinced that this relationship is very significant and will contribute to future stability and prosperity in the region.

Mr. President, the world's current tendency clearly indicates that political confrontation is on the decline, while on the economic front, there is a trend showing that even though all sides are trying to promote mutual cooperation and assistance, trade protectionism and the unilateral implementation of policy is on the rise as well. Therefore, with these new developments, economic factors are very significant in international relations.

I, therefore, hope Thailand and the PRC will continue to render mutual cooperation and assistance to each other both in developing bilateral economic relations and in engaging in various world economic forums, especially in such international organizations as GATT, of which China is expected to become a member in the near future. [end recording]

After that, PRC President Yang Shangkun made the following reply:

[Begin Yang recording in Chinese fading into Thai translation] The two countries—China and Thailand—are neighbors. The friendship between the peoples of the two countries has existed for a long time, indeed since ancient times.

Since the establishment of the diplomatic relations, the relations between the two countries have grown rapidly in all aspects. The friendship between China and Thailand has been deep in the hearts of their respective peoples.

The improvement of the friendly, good-neighbourly relations between China and Thailand, based on the five principles of peaceful coexistence, conforms not only to the mutual desires and the fundamental interests of the peoples of the two countries, but also contributes positively to peace and stability in this region.

We are pleased to continue sharing efforts with the Government and the people of Thailand in encouraging the development of relations between the two countries. [end recording]

After that, the Thai prime minister presented a gilded lacquerware flower container as a souvenir to the visiting Chinese president.

Asa Meets PRC Foreign Minister

BK1106135591 Bangkok Radio Thailand Network in Thai 1200 GMT 11 Jun 91

[Text] PRC Foreign Minister Qian Qichen, who is accompanying the PRC president during the visit to Thailand, called on Foreign Minister Asa Sarasin at the Foreign Ministry this afternoon to exchange views on relations between Thailand and China and international issues.

After the meeting, Foreign Minister Asa Sarasin told reporters that they had discussed the Cambodian problem. Both sides have exerted efforts to urge the four Khmer factions to hold talks to end the conflict and to establish peace in this region because the last meeting among the four Khmer factions in Jakarta did not achieve considerable success. As a result, Thailand and China have tried to encourage the four Khmer factions to talk again. Thailand will arrange a meeting at the Royal Cliff Hotel in Phatthaya, Chon Buri Province, on 24 June as requested by the Cambodians.

Regarding Thai-Chinese relations, the foreign minister said that both sides will increase their bilateral trade volume for mutual benefit as well as join in the development of the Mekong River basin.

Meanwhile, Chinese Vice Foreign Minister Xu Dunxin also held a meeting with Deputy Foreign Minister Wichian Watthanakhun. Second Lieutenant Rawi Hongpraphat, deputy director general of the Foreign Ministry's Information Department, said that both sides had exchanged views on cooperation in trade, investment, tourism, and development of the Mekong River basin. In particular, they discussed ways to increase the bilateral trade volume. The

Thai side asked China to buy more goods from Thailand because Thailand is suffering a trade deficit of 20 billion baht. It also asked China to invest more in Thailand and to join in the development of the Mekong River basin, which will be beneficial for both development and tourism.

Qian Qichen on Cambodian Peace

BK1106122091 Hong Kong AFP in English 1130 GMT 11 Jun 91

[Excerpts] Bangkok, June 11 (AFP)—Chinese Foreign Minister Qian Qichen said here Tuesday that China wanted to play a part in reconciling Cambodia's warring factions.

The remark came as the factions prepared for peace talks starting June 24 in the Thai sea resort of Patthaya with observers from France, Indonesia and the United Nations attending.

Mr. Qian, who is here with a delegation accompanying Chinese President Yang Shangkun, said he hoped the Patthaya meeting would be successful.

"China hopes to promote reconciliation among all Cambodian parties," he said. He did not elaborate. [passage omitted]

The opening date for the Patthaya meeting of the Supreme National Council (SNC), a body formed with representatatives of the Cambodian Government and the guerrillas, was formally announced in a statement issued by the office here of guerrilla coalition leader Prince Norodom Sihanouk.

The communique gave no indication of how many days the meeting would last.

It said all factions had agreed that the prince, Cambodia's former monarch, "will assume the presidency of the meeting."

The prince, as "coordinator" of the SNC meeting, was inviting observers from France, Indonesia, and the United Nations to attend the Patthaya meeting. [passage omitted]

PRC Deputy Justice Minister Arrives

BK0906085291 Bangkok ZHONG HUA RIBAO in Chinese 6 Jun 91 p 4

[Text] PRC Deputy Justice Minister She Mengxiao and his six-member delegation arrived in Bangkok on the afternoon of 5 June for an eight-day official visit to Thailand at the invitation of Justice Minister Praphat Uaichai. He was welcomed at the airport by the Thai deputy permanent secretary for justice affairs, Chinese Embassy Counselor Zhang Songxian, and officials from the Justice Ministry.

Speaking to reporters at the VIP room of the airport, Vice Justice Minister She Mengxiao said that they were bringing with them the Chinese people's friendly feelings toward Thailand. He believed the visit would further strengthen the friendship between the judicial circles of both countries and the friendship of the two peoples. He said that he had learned that the Thai economy had grown rapidly in recently years. Thailand has also realized new achievements and developments in its legal affairs. He believed that he would learn from many ideas and experiences gained during the visit.

Vice Justice Minister She Mengxiao said that the Chinese Justice Ministry had exchanged frequent contacts with the Thai justice circle. Recently, Justice Minister Praphat Uaichai successfully visited China. His delegation is now paying a return visit.

At the same time, the deputy permanent secretary for justice affairs said that he had accompanied Justice Minister Praphat Uaichai's recent visit to the Chinese Capital of Beijing, Anhui Province, and Jiangsu Province to observe judicial activities and court procedures. Both countries have their own legal operation systems because of different situations. He said that the frequent exchange of visits between the officials of the justice circles of the two countries would help strengthen their close relations and understanding and help them exchange work experiences.

PLA's Xu Xin Calls on Suchinda

BK1106151691 Bangkok Army Television Channel 5 in Thai 1230 GMT 11 Jun 91

[Text] At 1430 today at the Army's reception room, General Xu Xin, deputy chief of the General Staff of the Chinese People's Liberation Army, accompanied by Deputy Director of the Army's Intelligence Department Chinda Charoenwetchakan, paid a courtesy call on and held official talks with Army Commander in Chief General Suchinda Khraprayun. Also present at the meeting were Deputy Army Commander in Chief General Itsaraphong Nunphakdi, Deputy Army Chief of Staff Lieutenant General Pramon Phalasin, Army Assistant Chief of Staff for Intelligence Lieutenant General Uam Manorat, and Army Secetary Major General Anuson Kritsanaserani.

Foreign Minister on Cambodia SNC Talks

BK1206095191 Bangkok Radio Thailand Network in Thai 0530 GMT 12 Jun 91

[Text] The Thai Government is preparing Phatthaya as the venue for the meeting of the four Cambodian factions on 24 June. Thailand has a part in encouraging the talks. Foreign Minister Asa Sarasin talked to reporters on the issue:

[Begin recording] [Asa] All this is progress in the settlement of the Cambodian problem. We will have to wait and see what the points of discussion among the four Cambodian factions will be. Before we can speak about developments on this issue, we will have to listen first to the opinions of the four Cambodian factions.

[Reporter] What make you and the Chinese foreign minister believe the talks will be a success?

[Asa] We only hope. This is similar to hoping for results at the Jakarta meeting, which ended without any agreement. This Thailand meeting is another we have high hopes on, as it concerns the interests of this region in general, and those of Thailand in particular. It is the direct concern of the Cambodian people to see that peace prevails in Cambodia as soon as possible.

[Reporter] Will Thailand do anything to help break the deadlock of the recent Jakarta talks?

[Asa] We will not do anything at all at present. We would like to let them consult amongst themselves. The holding of talks in Thailand and finding a venue for the meeting have been their initiatives.

[Reporter] Have they made any request to the Thai Government?

[Asa] Yes, they have. We have set the Royal Cliff Hotel as the venue of the meeting to be held on 24 June.

[Reporter] [question indistinct]

[Asa] All the Cambodian factions.

[Reporter] I wonder if there has been any discussion to find the causes of the failures of the Jakarta meeting and previous negotiations?

[Asa] Because they could not agree among themselves.

[Reporter] Will there be any ways and means for them to reach a compromise?

[Asa] We will have to be a bit patient. We cannot speak for the Cambodian people. We will have to wait until they talk with each other. Our duty is to only be supportive for our benefit and for others. All parties want to see an agreement at the earliest. The four Cambodian negotiating factions are absolutely important.

[Reporter] Will we send our observers or representatives to the Phatthaya meeting?

[Asa] No, we will not. If we suggest anything they may not... [changes thought]. We will not interfere in their business. [end recording]

Envoy to SRV on Trade, Investment Opportunities

BK0806120291 Bangkok Voice of Free Asia in English 1500 GMT 7 Jun 91

[Text] The Foriegn Ministry has identified several trade and investment areas in Vietnam suited to Thai interests, including the exchange of information relevant to the world rice market. Another possibility is a joint venture to distribute Thai products through Vietnam to the Soviet Union and southern China.

The trade and investment opportunities were raised by Vietnam representatives at a recent meeting between Thai Ambassador to Hanoi Suraphong Chaiyanam, representatives of Thai companies operating in Ho Chi Minh City, and Vietnamese officials. The meeting in Ho Chi Minh City was aimed at exploring the possibility of expanding trade and investment ties.

Mr Suraphong's report of the meeting said the two sides shared the view that bilateral trade and economic and investment ties were still quite small and there was room for expansion. Vietnamese officials admitted deficient infrastructure, uncertainties over the country's foreign investment law, and a lack of information on trade opportunities were major obstacles to promoting for foreign trade and investment.

He was also quoted as saying the Thai-Vietnamese trade and investment ties would undoubtedly rise once these problems were solved.

Ongoing Reportage on Vietnamese Pirates

Official on Crackdown

BK1006032591 Bangkok THE NATION in English 10 Jun 91 p 1

[Excerpt] National Security Council (NSC) chief Suwit Suttanukun said yesterday Thailand might have to hold government-to-government talks with Vietnam if reports that some Vietnamese authorities were involved in acts of piracy against Thai fishermen were confirmed.

Suwit was responding to claims by Thai crew members who were arrested in the Gulf of Thailand in April that they were held until a Bt [baht] 460,000 "ransom" was paid to authorities in Vietnam's Cuu Long Province.

The claims followed a disclosure by Thai military officers that they believe Vietnamese armed forces officers were supplying military weapons to Vietnamese pirates preying on Thai fishermen.

"If it becomes clear that Vietnamese authorities are involved, there should be government-to-government negotiations to solve the problem," Suwit told THE NATION in a telephone interview.

He said while there was no concrete evidence of large-scale official Vietnamese involvement in piracy, it had been proven that Vietnamese "intended" to rob Thai fishermen.

Thai security forces have seized 11 boats and 108 Vietnamese in an ongoing anti-piracy crackdown which began on May 26. A large assortment of military weapons were confiscated from the Vietnamese, some of whom were believed to be soldiers.

Suwit said he expected a decrease in pirate attacks on Thai fishermen following the visit by Supreme Commander Gen Sunthon Khongsomphong to Hanoi last Friday.

Though Sunthon said before his visit that the trip was aimed at discussing the piracy problem, the issue was not raised during his meeting with Vietnamese leaders. Sunthon said upon returning to Thailand that Vietnamese authorities might have been unaware of the matter.

Suwit said the NSC would hold a meeting among agencies concerned within the next week to address the problem.

"This is a big problem and many people are involved. We have done all we should have done but a long-term solution is still not in sight. When it comes to boundary problems, everybody thinks he is right," he said.

Sources said piracy in the Gulf involves a very well-organized and extensive racket comprising unscrupulous fishermen, businessmen, and authorities in both Thailand and Vietnam.

Seized trawlers and fishing equipment are returned after ransoms are paid through Thai accomplices of the Vietnamese pirates, according to the sources.

Three Thai trawlers and their 19 crew members were released by their Vietnamese captors over the weekend after Bt460,000 was paid for each of the vessels.

Suwit questioned claims that the payment followed a ransom agreement with pirates, saying Vietnamese authorities were in a position to demand ransoms if Thai trawlers were caught violating territorial waters of the neighbouring country. [passage omitted]

Vietnam Stops Releasing Trawlers

BK1106014791 Bangkok THE NATION in English 11 Jun 91 p A 3

[Text] Vietnam has stopped releasing seized Thai trawlers for ransom, in what appears to be retaliation for the Thai military's on-going campaign against Vietnamese pirates in the Gulf of Thailand, fishermen said here yesterday.

Vietnamese authorities are detaining a large number of Thai trawlers and their crews. Some of the captured fishermen are being held for violating Vietnam's waters while the others were believed to have been simply robbed and captured by pirates in Thai waters and taken to Vietnam.

According to military and fishing sources, after Thai fishing boats and crews were seized, their Thai owners would be contacted by the Vietnamese, through Thai "agents" who would negotiate ransoms.

Charuwat Kaengkaeo, the owner of a Vietnamese-held trawler, told THE NATION yesterday she had learned that the Vietnamese have suspended all ransom negotiations.

Charuwat said her younger brother visited Vietnam recently to negotiate the release of their Saengcharoen 93 trawler but was informed that the seized vessel "has been turned into a Vietnamese fishing boat".

"My brother was also told that the Vietnamese had halted the release of all Thai boats because they were very angry (about the Thai crackdown)," Charuwat said.

Thai security forces have seized 11 boats and 108 Vietnamese in the current crackdown which began on May 26. A large assortment of military weapons were confiscated from the Vietnamese, some of whom were believed to be soldiers.

Other fishing sources also believed the Vietnamese suspension of ransom talks to be in retaliation for the Thai anti-piracy campaign.

The sources said high-level Vietnamese officials, alerted by the Thai campaign, had ordered the inspection of all captured Thai trawlers and investigation into Thai charges that Vietnamese authorities were involved in piracy in the gulf.

Thai sources have said the gulf piracy involves a very well-organized and extensive racket comprising unscrupulous fishermen, businessmen and authorities in both Thailand and Vietnam.

Thai authorities, acknowledging that many Thai trawlers did cross into Vietnamese waters to fish, confirmed that the acts of piracy were rampant. They said many Thais were acting as direct and indirect accomplices of the Vietnamese pirates.

Rear Admiral Manu Siwirot, deputy director of the Songkhla-based anti-piracy task force, said many of the seized Thai trawlers were sent back to the gulf as armed pirate boats.

"(The Vietnamese) upgrade the seized Thai trawlers and use them to rob other Thai boats," Manu said.

The upgraded boats would be accompanied by smaller, heavily-armed speed boats, deployed to chase Thai trawlers into Vietnamese waters, he said.

Manu said he beleived that the central government of Vietnam was unaware of the piracy problem.

The issue was not discussed during Supreme Commander Gen Sunthon Khongsomphong's Friday visit to Hanoi despite the general's pre-trip pledge to raise the matter with the Vietnamese goverment.

Navy Seizes 'Pirate' Boat

BK0906014091 Bangkok BANGKOK POST in English 9 Jun 91 p 2

[Text] Another Vietnamese pirate boat was seized after a gun battle with a Royal Thai Navy ship in Thai territorial waters off Pattani yesterday.

The Navy ship Liew Lom briefly exchanged gunfire with the Vietnamese pirate boat 90 miles east of Losin Island. No casualties were reported on either side.

Thai Navy officers who inspected the captured pirate ship which was towed to Songkhla Naval Station found 11 Vietnamese crewmen, a 50mm machinegun, a M79 rocket launcher and two AK47 assault rifles.

The Vietnamese had allegedly fired on Thai trawlers in the Thai maritime economic zone before they encountered the Royal Thai Navy ship.

Earlier in the week, the Navy ship Klong Yai seized three Vietnamese pirate boats and 27 crewmen in the same erea. Two of the pirate boats were armed with M16 and AK47 rifles and ammunition. The boats were taken to the naval station.

The number of Vietnamese ships arrested for piracy acts has amounted to 80 since the anti-piracy campaign was launched last week.

Burmese Refugee Aid Cut Linked to Activities

BK0806043691 Bangkok THE NATION in English 8 Jun 91 p A2

[Text] The cut in the monthly allowances of Burmese refugees under the care of the United Nations High Commissioner for Refugees (UNHCR) in Thailand was initiated by the Interior Ministry to discourage anti-Rangoon activities, aid workers said.

The aid workers, who asked not to be indentified, told THE NATION yesterday it was understood that the Interior Ministry's request for a reduction in the allowances by Bt [baht] 500 to Bt2,500 was designed to punish the Burmese refugees for political activities they have supposedly been involved in the past.

The activities included the hijacking of a Thai Airways International jetliner to Calcutta by two Burmese students, one of them a refugee recognized by UNHCR's Bangkok office, in November 1990.

"The Interior Ministry also reasoned that the Burmese refugees' subsistence should be adjusted to correspond with the minimum daily wage for Thai workers" one of the aid workers said.

The minimum daily wage for unskilled workers in Thailand ranges from Bt82 to Bt100 in different parts of the country.

The director general of the Interior Ministry's Information and Foreign Affairs Division, who is in charge of handling Burmese asylum-seekers and illegal immigrants, could not be reached for comment yesterday.

On Thursday, about 50 Burmese refugees under the care of the UNHCR demonstrated at the office of the Foundation in Support of Refugee Assistance Programmes in Thailand to protest the "discriminatory" cut in their allowances. The aid agency is responsible for dispensing allowances to refugees.

The UNHCR has announced that the cut in financial assistance to Burmese refugees would take effect as of July 1.

Aid workers said the protest could compel Thai authorities to seek a reduction in allowances to asylum-seekers from other countries to the same level to quell criticism of the measure against the Burmese.

The UNHCR does not have an agreement with the Thai government, allowing it to provide full-scale assistance to Burmese, most of whom fled political persecution after the bloody crackdown on the pro-democracy movement by Rangoon in 1988.

The Interior Ministry in late 1989 asked the UNHCR not to renew identification papers for Burmese dissidents previously granted refugee status by the international agency. But some 2,000 Burmese now recognized by the UNHCR as "persons of concern" remain on the UNHCR's payroll.

Laos To Receive Increased Aid

BK1206010591 Bangkok THE NATION in English 12 Jun 91 p A 2

[Text] Laos will receive about one-third of the Department of Technology and Economic Cooperation's Bt [baht] 200 million aid package for developing countries over the next two years, a senior government official said yesterday.

The official, who spoke on condition of anonymity, told THE NATION that the Cabinet yesterday approved the department's proposal to spend Bt25 million this year and another Bt175 million in fiscal year 1992 for international aid.

"Laos, as the most favoured nation, will get about Bt67 million for development projects in agriculture, public health, education and human resource development, among other things," he said.

Vietnam will receive Bt21 million; Burma, Bt21 million; Cambodia, Bt20 million; and ASEAN countries; Bt20 million. Other developing countries in South Asia and Africa will receive Bt49 million, the official said.

Vientiane has already requested 30 scholarships for Lao students to study in Thai universities and 200 scholarships for technical training in various fields, the official said.

The short-term objective of the development aid in Laos is to help the land-locked country develop its agricultural sector. health-care facilities and educational system, as requested by Lao authorities, the official said.

Thailand will consult with other donor countries and international organizations involved in development projects in Laos to find out the country's needs and to avoid duplicative efforts, he added.

Thai and Lao officials are now discussing priorities and setting goals for assistance projects before drawing up proposals for specific programmes.

The Department of Technology and Economic Cooperation started providing small-scale assistance to Laos in 1973, mostly in the form of technical training and consumer goods. Since then, the amount of assistance has been small, about Bt1 million a year on average.

The Thai government initially had set aside only Bt14 million for development projects in Laos this year and in 1992. But in March, the Anan Administration unveiled a new foreign policy that included a dramatic increase in Thailand's international aid programmes, with an emphasis on Laos.

The move followed an agreement between Thailand and Laos in early March to strengthen bilateral ties. The pact required, among other things a troop pullback from all disputed areas along the boder by the end of march.

The two countries had fought a brief war over the disputed areas in Ban Romklao, located between Thailand's Phitsanuloke and Laos' Sayabouri province, in 1987-88. Bilateral relations have improved since a ceasefire was reached in early 1988.

Laos has responded enthusiastically to the Thai aid package as assistance from Soviet Union and the former socialist countries in Eastern Europe has practically dried up.

The Thai government has also informed Lao authorities that it was prepared to discuss Vientian's proposal to restructure the existing joint committees responsible for most aspects of bilateral relations as the security threat along the border has diminished.

Official Details Guarantees in New Constitution

BK1106024791 Bangkok BANGKOK POST in English 11 Jun 91 p 2

[Text] The new constitution will guarantee protection for an individual's right to free and just enterprises, occupations and competition, according to Constitution-Drafting Committee deputy spokesman Dr Likhit Thirawekhin.

Speaking after yesterday's meeting of the committee, Dr Likhit said these details would be stated in Article 44 (2) of the new constitution.

He said legal restrictions on such rights can be placed only:

—For national security, safety and the economy;
—To protect consumers;
—For town and country planning;
—To conserve and protect natural resources and the environment;
—For public safety; and
—To prevent monopolies for free and just competition.

Dr Likhit said the Constitution-Drafting Committee went through Articles 25-52 and decided to put an additional clause to many articles.

The committee agreed to have Article 33 (2) to guarantee fair compensation to those subject to land expropriation, based on market prices.

In Article 38, on the right of the people to form a political party under the political party law, the committee agreed to add a clause which says the Government may provide a subsidy in cash or properties for political parties.

The article will also state that a political party is required to prepare an account showing clearly its assets and liabilities, and how they are acquired and incurred, Dr Likhit said.

In Article 41 on the right of a family of an individual, the new constitution will add that an individual has the right to honour, reputation and a life of privacy.

In addition to Article 46 of the 1978 Constitution which stated that an individual has the duty to uphold the nation, religion and the monarchy and democratic rule, the new constitution will also state additionally that a person has the right to honest elections.

Dr Likhit said this does not mean those failing to use their right to vote will be subject to punishment.

This article is intended only to arouse the people's awareness to exercise their voting right, he said.

In addition to what was stated in Article 52 of the 1978 constitution, the new charter will add to this same article that a person has the duty to preserve natural resources and the environment, Dr Likhit said.

Students Criticize National Peacekeeping Council

BK1006023391 Bangkok BANGKOK POST in English 10 Jun 91 pp 1,3

[Text] The Student Federation of Thailand (SFT) yesterday called for the dissolution of the National Peacekeeping Council (NPKC) and a general election by the end of the year.

During a gathering at Sanam Luang, SFT secretary-general Prinya Thewanarumitkun said the NPKC had lied to the people by failing to keep its promise to hold a general election within six months after the February 23 coup.

"There has been no sign of an election. The promise has been broken," he said.

Prinya said if the people had to wait for the new constitution to be finished, the promised election would be held until at least 14 months after the coup, possibly in April 1992.

"The SFT will fight to the fullest extent for general elections to be held some time this year and certainly before August 23 which marks the six-month period from the coup," Prinya said.

Prinya said the SFT could put pressure on the NPKC by cooperating with students in the provinces in organising petitions which would show the powers that be of the need for an election.

It was not necessary for the NPKC to wholly dissolve the last constitution and to draft a new one to ban vote-buying in the election because this would take a very long time, he said.

The NPKC could add an act to the existing charter which would ban vote-buying, he said. He also claimed the Government had spent too much time drafting the charter and that each constitution-drafting conference had used up taxes collected from the people.

The SFT secretary-general also noted that it was meaningless for the NPKC to claim that acts of corruption by the last government was the reason for the coup.

He expressed doubt that NPKC members were not involved in corruption.

Prinya asked why the military which was responsible for the stability of the country had showed its concern over the controversial 100-billion-baht telephone expansion project.

He said it was strange the NPKC had used the assassination plot against national figures as a reason for the coup because the assassination case had remained under wraps since the coup.

Formerly the NPKC had blamed the Chatchai Chunhawan government for imposing a parliamentary dictatorship but under the military rule the dictatorship has strengthened, said Prinya.

Prinya asked how people could be sure that the public interest would be represented in the new consitution when it was being drafted without any members from opposition parties.

He said it was also meaningless that one of the NPKC's many reasons for the coup included politicians interfering in the work of civil servants.

More civil servants have been transferred during the three-month period of the NPKC's rule than during the Chatchai administration's two-and-a-half years, Prinya said.

During the SFT gathering yesterday, one student identified as Sirot Khlamphaibun, used a microphone to address the crowd but was taken away by military officers from the Bangkok Peacekeeping Force for using loudspeakers without official approval.

The arrest added to the tension at Thammasat University where students, military, police officers and about 1,000 on-lookers stood face-to-face.

The SFT secretary-general said the use of force was to be condemned and that he would make a complaint to NPKC deputy leader Gen Suchinda Khraprayun today.

"The NPKC said it had staged the coup for the sake of democracy. Why does it use force to stop our political expression which is the way of democracy?" Prinya asked.

Army Chief Promises Election

BK1106014991 Bangkok THE NATION in English 11 Jun 91 p A 3

[Text] National Peacekeeping Council (NPKC) Vice Chairman Gen Suchinda Khraprayun said yesterday that a general election will be held by next April at the latest, as scheduled by the interim Constitution.

"It's clearly scheduled, and it can't be any other way," Suchinda told reporters at the Army Auditorium, responding to criticism by student activists and some academics that the military was trying to delay the election.

Army chief Suchinda's statement came a day after the Students Federation of Thailand held an anti-military rally at Sanam Luang to demand that the election be held this year instead of next year.

The students claimed that Suchinda had pledged shortly after the Feb 23 coup that the election would be held within six months. In the largest anti-military rally since martial law was lifted early last month, about 500 students called on the military to set a polling date before Aug 23.

Suchinda said yesterday that he had not promised an election within six months.

"If you remember well, I just said I personally wanted it to be completed within six months," Suchinda said. "But I am not in authority to have everything done as I wish."

Still, the interim Constitution, which allows the general election to be postponed until the end of next April, was the military's brainchild.

Suchinda seemed to blame the delay on the constitution-drafting committee. "I'm not the one who is drafting the new Constitution," he said. The Army chief did promise that the new Constitution would be finished in time for the general election.

Suchinda also said the military did not oppose anti-military rallies as long as they are carried out legally. He said police tried to break up the rally Sunday because the students allegedly committed an offence by using amplifiers in a public area without permission.

A student was arrested and fined Bt100 for the offence, but police failed to break up the demonstration. Uniformed security forces retreated after a scuffle broke out as they tried to move in on the pick-up truck from which students were speaking.

Suchinda declined to say why authorities banned the use of amplifiers if the military did not oppose democratic rallies. He suggested reporters find out themselves from the police. Metropolitan Police Commissioner Pol [police] Lt Gen Wirot Pao-in had said on Sunday, "I just requested them to use a megaphone instead."

Suchinda blamed the care-taker government when asked about criticism by academics and politicians on Saturday that the NPKC has done nothing useful since it took power three months ago.

The NPKC had allowed the government of Prime Minister Anan Panyarachun to administer the nation's business, with military leaders being only "supervisors from a distance," Suchinda said. "We should have been blamed if we had not formed the government.'

The criticism had come from politicians and academics, including Solidarity Party leader Bunchu Rotchanasathian and Chulalongkorn University lecturer Thirayut Bunmi, during a panel discussion on political trends.

Minister on Economy, Military-Civil Conflict

BK1006105991 Bangkok THAI RAT in Thai 10 Jun 91 p 7

[Interview with Dr. Phaichit Uathawikun, minister attached to the Prime Minister's Office, by THAI RAT Economic News Desk; place and date not given]

[Excerpt] [passage omitted]

[Unidentified reporter] Could you please assess the country's economic situation?

[Phaichit] Regarding the trends of the world economy, I should begin with the Middle East conflict because it had great impact on the world economy. Late last year we anticipated that the Persian Gulf war would put the world economy in chaos. However, the war did not last long, and therefore it did not have as serious an impact on the world economy as expected. It had only a slight impact on Thailand. Everyone had to admit that the 23 February military takeover in Thailand had an impact on the country, because it created a lack of confidence in Thailand among the international community, particularly the investors.

However, the promise that the caretaker government made to the public that it would push for a quick democratic general election has improved the image of the government. The efforts exerted and actions carried out by the caretaker government under the leadership of Prime Minister Anan Panyarachun over the past three months in office have shown that we follow the democratic system.

In fact, democracy is a matter of belief, values, and sharing of similar attitudes. Just because we have a general election, we cannot necessarily say that we are truly democratic; and just because we have not had a general election, that does not always mean that we are not democratic.

In this regard, the best situation is to have democracy in both concrete and conceptual terms. That is what everybody wants. To achieve the goal quickly or slowly depends on the system and the action of the people. As long as there is vote buying, there will be no democracy. In the eyes of other countries, Thailand's image is almost good now but still not normal. For one thing, there is an assumption that there is conflict between the military and the government. Such an impression is not so good for the country's image. We must accept that.

Many parties think that this government is just a puppet government without power to rule the country, while ruling power belongs to the military. This is not true, but this impression has posed a problem for the country. There are big projects that the government seems to want to carry out, but not many people want to do so. That is why there has been a question as to who rules the country.

It would be good if this problem can be solved quickly. If the government sticks to the principle that we do everything legitimately and solve all the problems quickly, our image will then improve. Public relations may help, but, as a matter of fact, we have to do things legitimately. All parties would then understand and lend their cooperation. If we act inconsistently like a stick in the mud that keeps swaying from time to time, then problems will arise. Following the principle of legitimacy is the only way to prove to the world that we have no problems. [passage omitted]

Solidarity Party Elects Bunchu Rotchanasathian

BK0906145291 Bangkok Army Television Channel 5 in Thai 1230 GMT 9 Jun 91

[Text] The Solidarity Party held an ordinary meeting at the party headquarters today to elect party executive board members. Bunchu Rotchanasathian was, as expected, elected leader of the party. The meeting of the Solidarity Party today covered seven issues, including the election of a new executive board in the wake of a report that several top-level members of the party plan to join other parties. They include Narong Wongwan and Athit Urairat who may join the Samakkhi Tham Party, and Wira Musikaphong who may join the New Aspiration Party. Eight members of the party have already made known their plan to leave the party.

The atmosphere at today's meeting was normal. Thirty out of the 42 party board members attended the meeting which was chaired by the party leader, Narong Wongwan. The session lasted for about an hour. The election of a new executive board was held. Bunchu Rotchanasathian was voted new party leader, with Uthai Phimchaichon elected as party secretary general, and Sutham Saengprathum as party spokesman. Former party leaders Narong Wongwan, Chamloemphan Siwikon, and Sawat Khamprakop were not elected party board members, but they were all named as chairmen of the party advisory board.

Bunchu Rotchanasathian, the new leader of the Solidarity Party, said that an important change in the party this time was not motivated by an internal conflict, but it was an agreement reached among party leaders. Narong Wongwan, meanwhile, denied a report that he would join the Samakkhitham Party.

Montri Phongphanit: Social Action Party Leader

BK0906090691 Bangkok Radio Thailand Network in Thai 0530 GMT 9 Jun 91

[Text] The Social Action Party held a meeting this morning at the Central Plaza Hotel to elect party leader and executive members. At 1115, after the meeting ended, Thana Mettarikanon, spokesman of the party, reported that Montri Phongphanit was elected leader of the Social Action Party.

The following are elected deputy leaders: Sergeant Major Anan Ruangkun, Chia Kokphon, Prasop Butsarakham, Bunphan Khaewatthana, Subin Thepkanchana, Adisak Phokungkanon, Amphon Chancharoen, Kamchai Ruangkanchanaset, and Wiwatthanachai Na Kalasin. Prayut Siriphanit was elected party secretary general, with Somsak Thepsuthin, Rawi Hiranyachot, Buaphrom Thirakanlayaphan, and Niran Nammuangrak being elected as deputies. Elected spokesmen of the party are: Thana Mettarikanon, Niyom Kamhaeng, Prayun Chamchong, and Prathip Naprakai.

Montri Phongphanit, the newly elected leader of the Social Action Party, said that 15 members had resigned from the party so far, but a number of members from other parties applied to join the Social Action Party. He did not reveal their names anyway. Montri said the Social Action Party is ready to send candidates to run in the elections no matter what the constitution being drafted would be like.

Team Says Banhan, Sano 'Unusually Wealthy'

BK0906015691 Bangkok BANGKOK POST in English 9 Jun 91 p 1

[Text] Chat Thai Party secretary-general Banhan Sinlapa-acha and deputy leader Sano Thianthong were yesterday declared "unusually wealthy" by the Assets Examination Committee.

The two former ministers of the deposed Chatchai Chunhawan administration join the list of people already found to be "behaving in a manner suggesting they had amassed unusual wealth atypical of an honest career person.

The list comprises former interior minister and Chat Thai advisory chairman Gen Praman Adireksan, former deputy prime minister and Chat Thai deputy leader Pramuan Saphawasu, former prime minister's office minister and Muan Chon Party leader Chaloem Yubamrung, and former communications minister and Social Action Party secretary-general Montri Phongphanit. Committee chairman Gen Sit Chirarot told a press conference that the committee had carefully studied all related documents, including those provided by Mr Banhan and Mr Sano, before ruling on their cases.

As with the four other ex-ministers, Gen Sit declined to reveal the wealth of Mr Banhan and Mr Sano, claiming the committee had to treat them with honour.

He said some of the documents provided by the two former ministers were reliable but others did not match those obtained by the committee from different sources.

"We have no obligation to believe all the documents they gave to us," he said, adding the committee's ruling on Mr Banhan and Mr Sano is reasonable and fair.

Gen Sit said former prime minister M.R. Khukrit Pramot's letter to the committee, saying he had given millions of baht to Mr Montri on various occasions, is being examined by the committee. But he refused to reveal its opinion.

He said a sub-committee in charge of following up the case will inquire directly with M.R. Khukrit. The committee, including himself, is not involved in the inquiry process.

A total of 25 ministers and political aides of the deposed Chatchai administration were placed under investigation shortly after the February coup on suspicion of having amassed unusual wealth. Their assets were frozen.

So far, former deputy prime minister Gen Chianchai Sirisamphan, former agricultuure minister Narong Wongwan and former communications minister Samak Sundarawet have been cleared of the suspicion by the committee.

Gen Sit said he expects a decision by the committee soon on whether or not Prachuap Chairyasan of the Democrat Party will be cleared of the charge.

Apart from the decision yesterday on Mr Banhan and Mr Sano, the committee decided to ease restrictions on assets of four former ministers whom he refused to name. The requests of four others were rejected, he said, declining to give details.

Gen Sit said the committee would proceed to serve Chaloem Yubamrung with a notice to report to the committee.

Vietnam

CPV Chief Lauds Efforts for Cambodian Peace

OW1206061391 Tokyo KYODO in English 0532 GMT 12 Jun 91

[By Masanori Kikuta]

[Text] Hanoi, June 12 (KYODO)—Vietnamese Communist Party chief Nguyen Van Linh expressed appreciation Wednesday of Japanese efforts for Cambodian peace, including its proposals designed to help ensure there will be no recurrence of past genocide in the country.

In a 40-minute meeting with visiting Japanese Foreign Minister Taro Nakayama, Linh commended Tokyo for hosting a Cambodian peace meeting a year ago, for inviting Prime Minister Hun Sen of the Phnom Penh Government to Japan early this year, and for proposing means to prevent a repeat of the past genocide in Cambodia, a Japanese spokesman said.

The proposals were presented informally to assure Phnom Penh that the Khmer Rouge rebel faction would not be allowed to rule Cambodia in the way it did between 1975-79 when it allegedly killed at least hundreds of thousands of people.

Linh told Nakayama that Vietnam hopes efforts will be made to have a negotiated political solution to Cambodia's 12-year-old war on the basis of the Japanese proposals and other initiatives.

Cambodia's four warring parties have accepted in principal a United Nations-brokered peace plan, but Vietnamese-supported Phnom Penh is demanding its modifications to ensure there will be no return to power of the Chinese-backed Khmer Rouge.

Linh also expressed the hope that Japanese and U.S. businesses will help Vietnam develop its abundant oil resources, saying that his country lacks capital and technology for development, the spokesman said.

The Soviet Union, the main supporter of Vietnam's economy, has drastically slashed assistance due to its own domestic difficulties, forcing Hanoi to look to other countries. But Japan, the United States and other capitalist countries maintain economic sanctions on Vietnam imposed after Hanoi invaded Cambodia in late 1978 to oust the Khmer Rouge and install the current Phnom Penh government.

Vietnam is ready to establish diplomatic relations with the U.S., Linh told Nakayama, adding that Hanoi wants to look to the future rather than worrying about the past. Washington has made this recognition conditional on a resolution of the Cambodia conflict.

Linh urged Japan to support Hanoi's "Doi Moi" (reform) policy adopted at the last congress of the Vietnamese Communist Party in 1986. The policy is expected to be endorsed at the next party congress scheduled for June 24-27.

Nakayama told Linh that reforms need human resources, adding that Japan is ready to accept more Vietnamese students and trainees, and take other measures to help the country learn from Japan's experience in economic development, the spokesman said.

Nakayama arrived in Hanoi on Monday on the first leg of a two-nation trip aimed primarily at discussing the Cambodian issue and bilateral relations. He is scheduled to meet Hun Sen in Ho Chi Minh City on Thursday before flying to Indonesia.

Daily: Do Muoi Agrees To Visit Japan

OW1206104891 Tokyo KYODO in English 0505 GMT 12 Jun 91

[Text] Hanoi, June 12 (KYODO)—Vietnamese Prime Minister Do Muoi has accepted an invitation to visit Tokyo, the Communist Party paper NHAN DAN reported Wednesday.

The invitation was extended by Japanese Foreign Minister Taro Nakayama during a meeting with Muoi on Tuesday, the daily said.

Muoi "thanked him and accepted the invitation," it said, without specifying the date of the proposed visit.

Nakayama was in Hanoi for a five-day official visit, the first by a Japanese foreign minister since the two countries established diplomatic ties in 1973.

Nakayama will fly to Jakarta Friday after visiting Ho Chi Minh City. He will return to Tokyo Sunday.

USSR Gas, Oil Joint Venture Increases Output

BK0906143491 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 6 Jun 91

[Text] To quickly increase output, the Vietnam-Soviet Oil and Gas Joint Enterprise completed the installation of another oil rig in early May 1991, and has put more oil wells and depots into operation. As a result, the crude oil exploitation output for May has reached 10,000 tons per day, or an increase of 1,000 and 2,000 tons compared with April and March this year.

As a result, since early 1991, the Vietnam-Soviet Oil and Gas Joint Enterprise has pumped a total of 1.3 million tons of crude oil.

The enterprise is preparing for the second phase of the piling work at Oil Rig No. 10. Urgent work is being done to complete various structural parts so that Oil Rig No. 10 can be put into operation soon.

Once Oil Rig No. 10 is commissioned, the crude oil exploration output for June will reach 12,000 tons per day.

New Joint Soviet Labor Cooperation Planned

BK1206105391 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 10 Jun 91

[Text] Recently, at the Vietnamese embassy in Moscow, Comrade Dao Khai Hoan, head of the department in charge of Vietnamese workers in the Soviet Union, organized a press conference on Vietnam-Soviet labor cooperation.

After reviewing the results of the labor cooperation program in the past 10 years and the trends and prospects for future cooperation, Comrade Dao Khai Hoan pointed out:

The labor cooperation agreement signed on 2 April 1981 has been based on the friendship and mutual assistance between two fraternal socialist countries. As far as the Soviet Union is concerned, the agreement has supplied hundreds of enterprises with an abundant source of labor not available in the country. Many Soviet enterprises have recognized that through hard work, the Vietnamese guest workers have contributed to the completion of various projects. Comrade Poseduin, deputy director of the (Pontava) Cotton Weaving Enterprise said: Our enterprise employs 400 Vietnamese workers. If we lose them, our production output will decrease by 40 percent. Many Soviet enterprises have continued to request for more Vietnamese workers to replenish their work force.

Based on the new situation and the experiences gained from the implementation of the agreement signed in April 1981, which has already expired, the two governments are actively working toward a new labor cooperation agreement for the 1991-1995 period.

Laos Economic Delegation Calls on Do Muoi

BK0706165691 Vientiane KPL in English 0928 GMT 7 Jun 91

[Text] Vientiane, June 7 (KPL)—An economic delegation of Laos headed by Mr. Khamphoui Keoboualapha, Politburo member of the Central Committee of the Lao People's Revolutionary Party (LPRP CC) and minister of trade and tourism, on June 5 called on Mr. Do Muoi, chairman of the Council of Ministers of the Socialist Republic of Vietnam in Hanoi.

On this occasion, Mr. Do Muoi described the Laos delegation's visit to Vietnam a contribution to the consolidation of the friendly ties and the cooperation between the two parties, states, and peoples of Vietnam and Laos.

Mr. Khamphoui Keoboualapha informed the Vietnamese side of the result of the talks between the economic delegations of Laos and Vietnam.

Defense Issues in Party Congress Draft Documents

BK1106133191 Hanoi Voice of Vietnam Network in Vietnamese 1000 GMT 11 Jun 91

[From Press Review]

[Text] Today's QUAN DOI NHAN DAN carries a general summary of views contributed to the seventh party congress' draft documents. Nearly all the contributions reflect a common aspiration that Chapter IV of the draft platform should cover only two issues—national defense and security—under the common rubric of national defense. Some comrades sent a petition to the editorial staff, suggesting changes in both the arrangement and content of national defense.

Many others suggested that the seventh party committee should hold a conference to discuss the leadership over national defense duties and the consolidation of the all-people national defense in the new stage.

All the contributions shared the unified viewpoint that the duties of defending the country and building a firm all-people national defense should be manifested thoroughly in all documents of this party congress. This position should be correctly asserted as one of the two strategic missions of the Vietnamese revolution throughout the period of transition to socialism. To correctly determine the position and mission of defending the homeland and caring for national defense duties reflects our party's viewpoint and President Ho Chi Minh's idea concerning the close relationship between the two duties of building and defending the country.

This is also a law and a historical lesson of 4,000 years of our national construction and defense. Particularly, in the situation of developments in a world rife with contradictions and complexities, the national defense duty can not be neglected.

Hanoi News Conference on Seventh Party Congress

BK1206055891 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 12 Jun 91

[Text] The party Central Committee Department of Ideology and Culture and the Ministry of Information, Culture, Sports, and Tourism convened a news conference in Hanoi this morning, 12 June, to make public the preparations for the seventh national party congress.

Attending the news conference were more than 100 correspondents from various press agencies, television, and radio networks and a number of editors-in-chief and deputy editors-in-chief of the various newspapers, magazines, and television and radio stations.

Comrade Tran Trong Tan, member of the party Central Committee and head of the party Central Committee Department of Ideology and Culture, presided over the news conference.

According to Comrade Tran Trong Tan, the congress will be attended by 1,176 delegates representing workers, peasants, intellectuals, and members of the Armed Forces. The congress will be carried out under the motto of intellect, renovation, democracy, discipline, and solidarity. The guests of the congress will include delegations of the Communist Party of the Soviet Union, the Lao People's Revolutionary Party, the Cambodian People's Revolutionary Party, and the Communist Party of Cuba. The congress will meet for four days from 24-27 June 1991.

City TV Prepares To Cover Party Congress

BK0906143091 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 7 May 91

[Text] With the assistance of the Optical and Electronic Enterprise under the National Institute of Technology, the Nha Trang Television Station has completed installing a system for receiving and broadcasting television programs via satellite.

The system, which took only a week to install, will be used by cadres, correspondents, and workers of the Nha Trang Television Station to welcome the seventh national party congress.

To guarantee conditions for the system to be commissioned, an initial investment of 84 million dong has been made by the province to cover equipment and installation costs.

Cadres and workers of the Nha Trang Television Station are continuing to perfect the receiving and broadcasting equipment so that the system can be commissioned in time and provide compatriots throughout the province with live coverages of the seventh national party congress. Steps have been taken to improve the quality of television programs as well as to broaden television coverages throughout the province.

Party Committee Holds Conference With Editors

BK0906054091 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 6 Jun 91

[Text] The Hanoi party committee's standing body recently held a conference with leaders and editors-in-chief of newspapers in the capital to discuss measures to implement the Communist Party of Vietnam [CPV] Central Committee Secretariat's directive on strengthening press reporting and satisfactorily carrying out ideological work in the new situation.

The conference highly valued the work and activities of the Hanoi press during the past period, especially their efforts in reporting the first round of party organization congresses at various levels, including issues and ideas raised and contributed to the party draft documents by cadres, party members, and representatives of people's strata of Hanoi.

Delegates to the conference exchanged views on shortcomings made by some local newspapers in their work during the past period. They also exchanged experiences drawn from their tasks and duties. Many editors-in-chief of Hanoi newspapers made concrete proposals aimed at helping the local newspapers to satisfactorily carry out the ideological work in the new situation. They must immediately propagate information for the Seventh CPV Congress and contribute to motivating cadres, party members, and the local people to satisfactorily implement the socioeconomic development program.

Reportage on Nguyen Quyet Attending Conferences

Army Progressive Model Conference

BK1006103591 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 8 Jun 91

[Report on 8 June closing session of the VPA [Vietnam People's Army] Political General Department Conference on progressive models; place not given—portion recorded]

[Summary] Dear friends, after a two-day sitting the conference on progressive models of the determined-to-win emulation movement for the 1986-90 period organized by the Vietnam People's Army [VPV] General Political Department ended with splendid success today, 8 June.

"On the afternoon of the same day, the VPA General Political Department held a ceremony to receive the Ho Chi Minh Order bestowed by the Council of State to youth in the Army for their great contributions to the struggle for national liberation, strengthening national defense and construction, and fulfilling international obligations.

"The conference was elated and moved to have the chance to welcome Comrade Pham Van Dong, adviser to the Communist Party of Vietnam [CPV] Central Committee, who attended and addressed the conference."

During its two-day sitting, the conference heard almost 30 reports and many viewpoints expressed by delegates from units and individuals who have scored achievements in the determined-to-win emulation movement. The reports asserted the Army's loyalty to the party, state, and the people as well as its determination to fulfill all assigned tasks. "The units that scored outstanding achievements in the movement include the 95th Regiment of Division 325, the 219th Regiment of Division 365, the 788 group, naval ship HQ-612, the Engineering Corps' Technical Institute, military factories Z-113 and Z-176, and military construction corporation 470, and many other units."

Dear friends, with profound sentiments toward the Army and keen interest in the determined-to-win movement, Comrade Pham Van Dong listened attentively to reports at the conference. In a warm and friendly atmosphere, the comrade cordially addressed the conference.

"Regarding efforts to build progressive models in the determined-to-win emulation movement launched by our people's Armed Forces, Comrade Pham Van Dong said: We must review tasks from the grass-roots units up to the higher echelons and the Ministry of National Defense. We must also strictly implement Uncle Ho's teachings so as to triumphantly achieve Uncle Ho's soldier title."

On behalf of delegates to the conference and the Vietnam People's Armed Forces, General Nguyen Quyet thanked Comrade Pham Van Dong for his strong support and close attention to help strengthening the Army and consolidating national defense and construction. "The general pledged with the party, state, and people that the VPA will do its best to resolutely enhance its revolutionary ethics, maintain its loyalty to the party and nation, and strive to fulfill all assigned tasks so as to be worthy as Uncle Ho's soldiers."

Afterward, General Nguyen Quyet, on behalf of the VPA General Political Department, reviewed activities of the conference. He asserted achievements scored by units and individuals in the Army. He also presented experiences drawn from the determined-to-win emulation movement during the 1986-90 period.

"Dealing with tasks for the emulation movement in 1991 and the subsequent years, General Nguyen Quyet said: We must continue to strengthen the political and ideological education for all cadres and combatants, and strive to forge and bring new factors and progressive models into full play especially in key areas of the mountain region. He also urged units to try—depending on their condition and capability—to launch effective emulation campaigns to triumphantly fulfill the three tasks entrusted by the party and state, namely, defending the socialist Vietnamese fatherland, participating in economic building, and strengthening solidarity with other countries, especially with Cambodia and Laos."

Dear friends, in an elated atmosphere, the VPA General Political Departement also held a solemn ceremony to receive the Ho Chi Minh Order bestowed by the state to youth of the VPA for their great contribution to the struggle for national liberation, strengthening national defense and construction, and fulfilling international obligations.

"Attending the ceremony were General Nguyen Quyet, secretary of the CPV Central Committee and vice chairman of the Council of State; Ha Quang Du, first secretary of the Ho Chi Minh Communist Youth Union [HCMCYU] Central Committee; and representatives of sectors and branches from the central level and in Hanoi."

On behalf of the Council of State, Comrade Nguyen Quyet pinned the Ho Chi Minh Order on the military flag. Afterward, on behalf of youth in the Army, Comrade Nguyen Van Lanh, hero of the Vietnam People's Armed Forces, expressed the Army's profound gratitude to the party, state, people, and Ministry of National Defense for their support and assistance to youth in the Army. He said:

[Begin Nguyen Van Lanh recording] With this great honor, and to be worthy of the love and attention extended to the Army by the party, people, the Military Commission of the CPV Central Committee, and the Ministry of National Defense, all youth in the Army pledge to:

First, firmly grasp the new situation, implement new tasks of the revolution, uphold the socialist objectives and ideal under all circumstances, absolutely maintain their loyalty to the party and people, consistently heighten vigilance, and strive to foil the enemy's schemes to undermine the renovation cause of our party and people

Second, continue to maintain and develop the fine character and brilliant tradition of the Army in all localities, strive to overcome numerous difficulties and ordeals, enhance the spirit of self-reliance, promote creativity, surge forward to become masters of the military science, satisfactorily utilize military equipment, strictly keep military secrets, contribute to strengthening national defense and construction, fulfill all tasks assigned by the party and people, and strive to score outstanding achievements to welcome the upcoming Seventh CPV Congress. [applause] [end recording]

Conference of Army Emulators

BK0906144291 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 6 May 91

[Text] The conference of the progressive models of the determined-to-win emulation movement in the People's Armed Forces for the 1986-1990 period was solemnly opened in Hanoi today.

Attending the conference were General Nguyen Quyet, director of the VPA [Vietnam People's Army] General Political Department; Senior Lieutenant General Nguyen Nam Khanh; Senior Lieutenant General Dang Vu Hiep; Lieutenant General Le Kha Phieu, deputy director of the VPA General Political Department; heads of the various general departments directly subordinate to the Ministry of National Defense, various agencies concerned, and press agencies in and outside the Armed Forces; representatives of the Emulation and Awards Institute and the Office of the Council of State and the Council of Ministers; and 275 representatives of the various progressive models belonging to different military regions, military corps, armed branches and services, military academies and schools, scientific research centers, army-operated production facilities, typical militia and self-defense units, city wards, villages, and districts.

The delegates will hear some 40 reports on the exemplary deeds performed by 160 progressive models of our Armed Forces in response to the determined-to-win emulation movement in the past five years in combat, training, unit building, scientific research, cultural and artistic activities, and production operations.

On the first day of the conference, the delegates heard a number of reports read by representatives of various combat units and units that fulfill internationalist duty or defend the fatherland's sea areas and airspace.

Implementing the resolution of the sixth party congress and the subsequent resolutions adopted by the party Central Committee, the Political Bureau, and the party Central Committee Military Commission, our Armed Forces have accelerated the determined-to-win emulation movement by making every effort to improve their revolutionary quality in order to show themselves worthy of being called Uncle Ho's soldiers, develop positive factors, overcome negative phenomena, and learn from good deeds and good people.

The goal of the conference is to exchange and systematize the experiences gained by progressive units. Special agencies and political organs will try to derive common experiences for all army units to learn from and apply to their special circumstances.

The conference will continue to meet on 7 and 8 June.

Political Department Conference

BK0906062091 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 6 Jun 91

[Summary] In order to review and plan practical activities to constantly improve the strength of building and protecting the Vietnam socialist fatherland in the new revolutionary stage, this morning in Hanoi, the General Political Department of the Vietnam People's Army [VPA] held a conference on the progressive models of the determined-to-win emulation movement for the 1986-1990 period. Attending the meeting were 275 representatives of units, districts, wards, subwards, villages, central offices, the Ministry of National Defense, and heroic individuals. Senior General Nguyen Quyet, secretary of the party Central Committee, vice chairman of the Council of Ministers, and director of the VPA General Political Department, chaired the conference.

Speaking at the opening ceremony, Comrade Nguyen Quyet stated:

[Begin recording] "While our entire party, Army, and people are engaged in positive emulation to score the highest achievements to welcome the seventh national party congress, our conference on progressive models aims at exchanging experience to improve the quality of the VPA and national defense in order to successfully carry out the three political duties. These duties were outlined by the party Political Bureau and the party Central Committee's Military Commission: first, heightening vigilance to guarantee the protection of the fatherland and the socialist regime; second, improving economic life and the national defense industry; and third, strengthening the performance of our internationalist duty and general unity, especially unity with Laos and Cambodia. The conference is an important political event during which it is necessary to draw from and study the experiences of the progressive model units. As Uncle Ho used to remind us: Wasting good experiences is one of the greatest faults. This conference is planned in order to overcome that fault.

"Dear comrades,

"With a high sense of responsibility, we will study together the experiences of the progressive models so as to draw common, useful lessons which we will positively and creatively implement according to our particular situations back at our units. On behalf of the party Central Committee's Military Commission, the Ministry of National Defense, and the VPA General Political Department, I sincerely thank you for attending the conference and I wish that the conference will be successful and that you all will have good health." [end recording]

After hearing the opening speech, the conference heard reports on exemplary cases of the determined-to-win movement in the Army. They showed that in the past years, despite difficulties, the movement has continued to expand broadly to every unit of the Armed Force. They noted that in the rear areas, the work of national defense has been closely associated with the positive and creative spirit of the public, the party, and the government in creating favorable conditions for the soldiers to fulfill their duty.

One of the prominent points of the movement is in combining military scientific technological development with socioeconmic duties to which so many research projects have contributed in the interests of economic development and the health care service.

In the determined-to-win movement, our soldiers have proved their excellent performance, positiveness, and creativity to fulfill any duties entrusted to them, and thereby deserving the name Uncle Ho's soldier.

Regarding the duty of national defense, the movement has consolidated and improved the relations between the rear areas and soldiers. This is demonstrated by good coordination between grass-roots party organizations and local authorities in motivating youths to enlist for military service and the public to take part in the construction of permanent and semi-permanemt militia forces.

The militia forces have contributed a lot toward the security and national defense of the locality, bringing soldiers peace of mind in their homeland.

"The conference on progressive models of the VPA determined-to-win emulation movement for the years 1986-1990 continues until 8 June."

Documents Signed on UNDP-Sponsored Project

BK1206073091 Hanoi VNA in English 0649 GMT 12 Jun 91

[Text] Hanoi VNA June 12—Documents on the UNDP [United Nations Development Programme]-sponsored project "Strengthening the Capability in Building Quality Inspection" were signed here yesterday by Deputy Minister of Construction Nguyen Manh Kiem and UNDP resident representative in Hanoi David Smith.

The project, codenamed VIE/88/017, with an initial capital of 550,000 US dollars (Vietnam contributes 55.5 million VN dong) is for the safety of the people and social property, and for effective investment in capital construction. It also help in the inspection of building quality of foreign-invested projects.

Executors are the United Nations centres for human settlements (Habitat) and the Department for Designs and Building Inspertion under the Vietnamese Ministry of Construction.

Ministry on Population Growth, Unemployment

BK0806124191 Hanoi VNA in English 0610 GMT 8 Jun 91

[Text] Hanoi VNA June 7—A hotbed of the population explosion, Vietnam now has 67.5 million population with a growth rate of 1.2 million a year or 2.25 percent, compared with the world average of 1.67 percent and 0.65 percent in the developed countries.

Vietnam's population is expected to rise to 800 million by the year 2000 with a fast increase in the working age group: 35.6 - million in 1990, 40.7 million in 1995 and 46.1 million in 2000. According to the Ministry of Labour, War Invalids and Social Affairs, Vietnam has a permanent redundant workforce of 600,000 - 700,000.

Things are even worse in the rural areas where the number of unemployed makes up one third of the total workforce.

Over the past years, the state has taken a series of measures to alleviate unemployment. These include the intensive development of agriculture and the rural industry, arts and crafts services in the urban and industrial zones, the rearranging of the labour force in the state-run economic units as well as in non-productive units, the redistribution of the labour force and population among different areas, and the broadening of international cooperation with all countries which need labour.

Some economists proposed that the multi-sector economy be further diversified. They also called for the intensification of training and retraining. On the other hand, they suggested that to speed up Vietnam's integration into the world economy, all economic sectors should be allowed to form bilateral or multilateral ties with foreign businesses.

Party Journal Views Recent World Events

BK0706162191 Hanoi TAP CHI CONG SAN in Vietnamese Apr 91 pp 58-59, 57

[From the "The World: Problems and Events" section by Tran Trong Thin: "What Strategy To Be Adopted for Tomorrow Now That the Balance of Forces Has Changed?"]

[Text] Never before has the world witnessed so many great changes taking place on the planet at such a fast-breaking pace. The world politico-military situation has displayed many indications of unstability. Many draft strategies devised for the period until the year 2000 have been turned upside down.

The detente reached between the superpowers, the improvement of Soviet-U.S. relations, the changes in Eastern Europe and the Soviet Union, and the Gulf War have posed a series of new strategic problems worldwide and have exerted a heavy, profound, and multifaceted impact on many countries.

The Conference on Security and Cooperation in Europe (CSCE), which was attended by Warsaw and NATO member countries, has given rise to the "Paris Charter" and "is now working toward a common strategy for a united post-cold war Europe." The scenario of a "unified Europe" is in the making. Western political planners have openly expressed their desire to help bring about lasting peace and security in this continent. However, as pointed out by many politicians, they have actually tried to set up a mechanism to eliminate forever the possibility of reestablishing socialism in Eastern Europe. Meanwhile, the shadow of a new Bonn-Washington alliance has flickered on the Atlantic horizon in spite of the fact that the United States now faces the danger of being kicked out of Europe more than ever before.

The Soviet Union has withdrawn a major part of its military forces from Europe and has also taken bold steps toward nuclear and conventional arms reductions.

In Asia and the Pacific, which is regarded as the world's leading area with the most dynamic development potential by the year 2000, the politico-military situation has also shown many complicated developments. The United

States is facing a regional demand for U.S. troop withdrawals from the Philippines and South Korea. Meanwhile, the United States has reached an agreement on establishing U.S. military bases in Singapore. Japan has planned to reorganize its self-defense forces, increase its national defense budget by 5.5 percent, and maintain the Japan-U.S. Security Treaty. In the far east of the Soviet Union, which is considered to be the Soviet Union's most important strategic center in East Asia and the western Pacific, troop reduction plans have been implemented to turn that region into a dynamic external economic development center.

A quick change in the balance of military forces has affected the strategies of many countries, first of all big countries involved in the formulation of global military strategies.

As far as the Soviet Union is concerned, the "new defense strategy" doctrine came into existence not long ago. That doctrine was based mainly on the balance of strategic forces between the Warsaw Pact and NATO. That balance no longer exists. Moreover, while people were trying to set up the so-called "common home for Europe," which implies efforts to broaden NATO, "the danger posed by a new civil war" has emerged in the "private home" of the Soviet Union. That is a new factor never anticipated in the "new defense strategy."

The United States also has to adjust its global military strategies in terms of contents, ways of using military strength, personnel organization, and troop deployment. The adjustment was necessitated by the very low effectiveness of the "low intensity conflict strategy" (LIC) as the latter was applied to Third World countries, as well as by the unexpected developments of an all-out offensive against socialism. In particular, following the end of the Gulf War, U.S. military circles have constantly boasted about a "splendid military victory." The truth is, strategically speaking, they have repeatedly been caught up by unexpected developments. The magnitude of the efforts that the United States and its allies had to make has inevitably led to many unpredictable, multifaceted long-term consequences.

The reassessment of the new situations and adjustment of global and regional strategies by superpowers like the Soviet Union and the United States have more or less affected the strategies of other countries. Many countries now find it difficult to make a choice.

What strategy will we adopt for today and tomorrow? In some 3,300 or more days we will start another millenium and the strategists are still discussing this question.

We must admit that it is very difficult now to find a superior military strategy for the nation.

First of all, we must estimate the major political, military, and economic events in international relations from now until the end of the 1990s. In general, they are the following issues:

1. What is new about the nature, characteristics, and types of war and armed conflicts at present and in the future? The risk of a nuclear war is temporarily fading but regional conflicts and limited wars tend to increase. These are only observations on phenomena and possible developments. The determination of a strategy requires that what is substantial and new be pointed out. Many people have asserted that no matter what—just as the Gulf War has demonstrated—war still remains basically a continuation of politics, even though in the immediate future, politics may take different hues. The newly emerging problems are affecting the nature and characteristics of various types of war. It is the emergence of extreme nationalism, all types of restoration policies; revanchism; wars of resources; religious powers which are penetrating ever more vigorously into the political domain, and so on. Future military strategy can not help but taking these phenomena into account.

2. What will be the effect of the technological revolution on the military? At a time when the development of weapons and technical equipment for a nuclear war comes to a halt, the world is engaging in the manufacture of non-nuclear weapons of high technology. These weapons can be included in the general equipment from approximately 1995-96 until the year 2000. They are laser and particle-beam weapons, electronic artillery, smart bombs, fighting robots, and so on. The recent Gulf War might be said to be in fact the latest test of many of the most modern types of weapons and war materiel, including space facilities, such as the system of satellites of the SDI program, excluding only nuclear and chemical weapons. These point to the new possibilities of technical wars (by both sides). At the same time, facts on the battlefields have manifested the weaknesses and limits of weapons which the tests conducted during the production process could not detect.

This situation is exerting a strong and profound impact on all areas of military tehnology of many countries such as strategic doctrine, military arts, organization of armed forces, and so on, causing a series of new upsets. Since the end of World War II, the modern armies have been equipped with new weapons every 10 years. So from now until the end of this century, should a war ever occur, not only the currently available weapons, but likely and mainly those weapons being experimented with in laboratories also would be used. This statement does not reject totally the role and effect of ordinary and relatively modern weapons.

3. How should the best military strategy of the nation be selected? Many experts in the world held that there were two important aspects in selecting the strategy. On the one hand, it is necessary to proceed from the characteristics of the world by the end of 20th century. This involves the ever-growing population on the planet and the living space of nations is being narrowed every day. Meanwhile, industrialization is still needed, natural resources have been exhausted, and the struggle for living environment and all forms of development becomes fiercer. All these events have taken place when imperialism is still controlling the international relations. Particularly, "following East European events", the balance of military forces has changed and imperialism tends to be more arrogant and belligerent.

This situation can cause an increase in regional conflicts. On the other hand, the dynamic development of the world economy and technology is internationalizing rapidly the economic, political, and cultural relations among nations. As a result, it has also internationalized the military and strategic relations. Many people held that the best strategic project now must combine and reflect the above two aspects. This means that on the one hand, the strategy must make the best use of the opportunities and effect of the broad development of international relations to firmly maintain peace and stability for the country. On the other, against the background of ever intensifying trends of internationalization, the strategy must reflect the country's capability of independence and sovereignty and secure sufficient strength to effectively cope with all forms of conflict and war.

At a time when the international situation is rife with troubles, imperialist and reactionary forces are plotting to "fish in troubled waters." The Gulf war corroborates this point of view. Therefore, "if the world is in trouble, let's keep our houses safe first." No matter which way is chosen, the core goal of tomorrow's strategy always remains: To warrant the safeguarding of independence, sovereignty, security, peace, and stability for the country to develop and advance.

Article on Vietnam's Socialist 'Renovation'

BK0706125791 Hanoi TAP CHI QUOC PHONG TOAN DAN in Vietnamese Apr 91 pp 3-6

[Article by P.C.: "What Has Been Or Not Yet Been Done in Socialist Renovation"]

[Text] Examining the issue of socialist renovation looks easy but is, in fact, difficult. It looks easy because this requires only a look at reality. Analyzing the reality is, however, not simple. Once the congress [meaning the seventh party congress] takes place, its developments will reflect on the thinking of the participants who may come up with differing views if they fail to look back at the entire progress made under the renovation undertaking since the sixth party congress. In looking back, they may see that during the early years, there was still no way out for the crisis situation although a number of renovative policies had been introduced. At times, many things were thought to be fine as a number of renovative policies had been introduced and their effects had developed. Especially, when we succeeded in exporting over 1.4 million metric tons of rice—world's third largest in rice export—many people referred to this as a "myth" about Vietnamese agriculture. Then came the present time when, in addition to the continual development of good things, there have existed new, extremely tough difficulties because of many objective and subjective reasons, especially the unfavorable impact of the world situation.

Anyway, to base oneself in reality is the only way to examine the situation in a correct, objective, and scientific manner. In renovation, what is good has been realized by the masses, sympathized with by friends, and objected to by our enemy.

People seem to have noticed everything which is good. But they do not fully appreciate its presence, as is the case with the air which they need for breathing, unless they feel they are losing it. Here I would like to talk about some good things which are very important—namely the comparatively peaceful situation in the entire country and the political stability achieved over the past few years. All these are a very favorable factor and also an essential guarantee for the cause of national construction and renovation. This great success has not come automatically nor has it been brought about as a result of the enemy's goodwill for peace under the current so-called "detente" trend.

Dealing with the success in restoring peace in the entire country (despite the continued existence of some hotbeds), Comrade General Secretary Nguyen Van Linh pointed out:

"It is the fruit harvested by our Army and people nationwide in their struggle —both in combat and in construction—full of hardships and sacrifices in coordination with their military, political, economic, and diplomatic efforts. It is the achievement scored by our cadres, combatants, and people in their heroic struggle that defeated many forms of war and many acts of aggression of the enemy. It is also the fruit of the solidarity bloc and special alliance among the three nations of Vietnam, Cambodia, and Laos." [Footnote: Consolidate Peace, Heighten Vigilance, and Develop the Integrated Strength for National Defense; TAP CHI QUOC PHONG TOAN DAN, Issue 12/1989]. The comrade also dealt with the significance of internationalist assistance. Judging from the military angle, it is the integrated result of the readjustment of strategy in particular and the military renovation in national defense and in the Army in general.

When talking about the successful maintenance of political stability over the past few years, we should deal with the extreme kindness and the political prowess of our people. When talking about the blood-and-flesh relationship between our party and people, we should deal with the resolute and ingenious leadership that has been exercised in an independent, sovereign, and creative spirit by the party Central Committee and the Political Bureau under the renovation process. Our party, while resolutely stepping up the renovation undertaking and regarding this as a matter of life and death, has strongly asserted that renovation should be carried out according to principles and to appropriate steps that suit our conditions and circumstances. It is especially noted that our party has led the tough struggle on the political and ideological fronts against all the enemy's schemes and allegations, against erroneous, opportunist, and rightist thinking and conceptions, and against indications of conservativism, subjectivism, and hastiness. This struggle is regarded as a burning battlefront designed to protect the renovation undertaking, defend the party, the fatherland, and the socialist regime; sefeguard and consolidate peace; and maintain political stability.

It is precisely through the practice of leadership over the renovation of socialism that the party Central Committee and the Political Bureau have gradually materialized, supplemented, and developed the renovation lines of the sixth party congress with many advocacies and policies, with several of them having been introduced and proven to be correct. Proceeding from this, the party Central Committee and the Political Bureau have gradually studied and experimented with the path toward socialism in our country: a socialist path that bears Vietnamese characteristics.

This could be a good point of utmost importance that needs to be emphasized, for it is the reason for the existence of our party in its capacity as a vanguard brigade of the working class and of the nation. Only when our party comes up with a correct line capable of leading the entire nation to socialism, bringing about prosperity, freedom, and happiness for the people, ensuring a genuine national independence, and helping the Vietnamese nation catch up with other advanced nations in the world can it continue to play its vanguard role and fulfill its historic mandate in the current stage of the socialist revolution.

To achieve this aim, our party, while paying attention to theoretical studies, has concerned itself with reviewing the actual situation of the country and our national traditions, learning selected experiences obtained by various countries, and gaining access to the latest intellectual properties of the world. As for the first lesson of experience on the practice of renovation—namely the lesson about "firmly maintaining independent and creative thinking"—cited in the draft of the political report, we would like to propose that this lesson be supplemented with the following ideas: It is necessary to pay attention to learning experiences obtained by various countries and acquiring the latest conceptions of our time. Only by doing so can we avoid subjectivism and conservatism in our independent thinking.

Emphasis should be placed on the fact that what has been achieved by our party in its search for a socialist model for Vietnam were merely initial successes. More long-term practical studies and experimentations are still needed. This issue, which is scheduled to be resolved by the seventh party congress, will be far from being over regardless of how extensively it may be solved at the congress. This is because it should be continued to be supplemented, amended, and constantly perfected. Certainly, in addition to the factors of successes and correctness, there will be more stumbling and mistakes to arise. This is understandable because socialism cannot be something born of an abstractive and subjective concept but it is an animated reality shaped up by the copious creativity of the revolutionary masses under the party leadership in accordance with objective laws. "What is socialism?" is still a burning question to be answered, both in practice and theory, by various nations—including those nations which have chosen and not yet chosen the socialist path.

We may have to evaluate more correctly what has been achieved on various aspects of the renovation undertaking if we find that in attaining our goal, we should take into account not only the ramifications of the issue in question itself but also the many fierce and malicious sabotage activities of the enemy from within and without in various fields—military, political, ideological, psychological, lifestyle, and so forth—including those of a handful of discontented elements who are within the very ranks of the people and are inherently communists. This happens at a time when the socialist world is still caught in an unprecedentedly serious crisis, when socialism in certain countries has crumbled, and when the economic crisis in our country, which has been taking place for several years now, cannot be solved overnight.

If we make a comparison—remember that "all comparisons are imperfect"—we may have a picture of what has been initially done by our party and people in opening a road toward a renovated socialism in our country against a backdrop of the current worldwide socialist crisis. What has been initially done here is also like those initial successes realized by our nation in searching for and experimenting with the way to fight and win the U.S.-waged war of aggression during the years of the past when the U.S. imperialists aggressively threatened the world with atomic bombs and spread the feeling of fear and subservience to the United States among the peoples of various countries.

It can be said that there is a unanimous agreement over the draft of the political report which says: "In summing up, after four years of implementing the resolution of the sixth party congress, we have gained initial successes of utmost importance."

Regarding what has not been done as cited in the political report, what concerns a broad section of the masses and all party cadres and members the most is probably production, welfare, employment, wages, social injustices, the lack of democracy, and many other undue negative aspects found in socialism and within the communist party.

All these are precisely issues which should be resolved by the party congress, the success of which will depend decisively not only on how to define various major issues such as the political platform, the socioeconomic strategy, and party building, but also on efforts to find out those urgent, practical, and effective measures that can resolve the welfare problem of the masses and party cadres and members. Naturally, solving these issues are not simple and cannot be achieved overnight.

While the enemy continues to fervently seek ways to oppose the socialist revolution in our country, resorting to the use of many tricks such as effecting peaceful evolution, inciting unrest and subversion, issuing military deterrence, and conducting armed aggressions or limited wars. The enemy's sabotage activities are real and not a product of fantasies created by anyone. These activities are not easily noticeable as is the case with war activities on a battlefield. One of the enemy's perfidious tricks is to take advantage of our party's renovation policies to rekindle or encourage erroneous trends in renovation with such slogans as "free-market economy", "pluralism and multiparty system", and so forth. The enemy has openly raised the slogan: "use the anticorruption banner of the communists to undermine their ranks." Without vigilance, we will easily fall prey to these enemy tricks. Meanwhile, we should also be cautioned against the phenomena of using "the protection of the party" and "the prevention of the enemy from taking advantage of our situations" as a shield to protect corrupted officials, thus arousing legitimate indignation among the public.

It is certain that the issues of heightening vigilance in the entire party, Army, and people; thoroughly understanding the two strategic tasks of the revolution—namely consolidating national defense and security and furthering the struggle on the political and ideological fronts against all hostile and erroneous allegations—will continue to be burning current topics to be dealt with great attention if we are to step up our people's renovation undertaking.

"The crux of all problems", which is essential for the success of the renovation undertaking, is how to renovate the party. As for those lessons of experience learned in the course of renovation [as cited in the draft of the political report], we may need to add a new one—the sixth lesson—that is, how to "renovate the party and consolidate and maintain the correct leadership of the communist party."

Australia

New Treasurer Boosts Financial Markets

BK1206082291 Hong Kong AFP in English 0804 GMT 12 Jun 91

[Text] Sydney, June 12 (AFP)—Australian financial markets Wednesday appeared heartened by reports that new Treasurer John Kerin would follow the same policies as his predecessor.

The Australian dollar, the sharemarket and 10-year bonds regained some of the losses incurred last week when Paul Keating resigned after failing to topple Prime Minister Bob Hawke.

Traders had said they feared Mr. Kerin would be less tough on inflation, currently at 4.9 per cent annually, and that the left wing would hold more sway over policy since faction leader Brian Howe had been appointed deputy prime minister.

In interviews with national daily newspapers, THE AUSTRALIAN and THE AUSTRALIAN FINANCIAL REVIEW, Mr. Kerin committed the government to a four percent annual inflation goal.

He hinted at spending cuts to get next year's budget deficit under four billion Australian dollars (three billion U.S.).

Mr. Kerin expressed reluctant approval for foreign ownership of the Fairfax Media Group, the nation's second largest print group which is in receivership.

He supported more uranium projects and mining of Coronation Hill which is surrounded by Kakadu National Park in the north.

"The comments in the press this morning gave the markets a bit more confidence that we are not going to see a significant change in policy," said Phil O'Sullivan, economist at Barclays De Zoete Wedd.

Mr. Kerin's decision to allow Westpac Banking Corp. and the AMP Society to form a 170 billion dollar (128 billion U.S.) "alliance" and his refusal to block the bid by Britain's Tate and Lyle for the nation's largest cane grower Bundaberg sugar were well received, he said.

"These decisions were seen as indicators that he is a free marketeer," Mr. O'Sullivan said.

The Australian dollar was trading at 75.60 U.S. cents at five p.m. local time (0700 GMT) Wednesday, compared to last week's low of 74.95 U.S. cents.

The sharemarket ended at 1500.0 points compared to Friday's four-month low of 1478.0, while 10-year bonds wound up at 11.10 percent, after reaching 11.20 percent last week.

Before Mr. Keating launched his power bid, the Australian dollar was at 76.25 U.S. cents, 10-year bonds were 10.46 per cent while the sharemarket ended at 1535.1 points on May 28.

Fiji

Government Rejects Rabuka Call To Resign

BK1206035091 Hong Kong AFP in English 0340 GMT 12 Jun 91

[Text] Suva, June 12 (AFP)—The Fijian Government on Wednesday rejected a call from Army Commander Sitiveni Rabuka that it resign and accused him of threatening national unity. In a statement defending its record since December 1987, the government said that it had saved Fiji from "disaster" after six months of military rule by Major General Rabuka in 1987. The statement followed four days of tension caused by remarks made by Maj. Gen. Rabuka in an interview with the FIJI TIMES.

In his interview, published Saturday, the army commander said the "reactionary" government of Prime Minister Ratu Sir Kamisese Mara was out of touch with the people and should resign.

On Tuesday, President Ratu Sir Penaia Ganilau wrote to Maj. Gen. Rabuka expressing "disappointment and shock" at his remarks and insisting that he apologise to the government.

Maj. Gen. Rabuka, who overthrew Fiji's last elected government in May 1987, hinted in the interview that he might seize power again. Asked whether he would mount another coup, he replied that this was "not really necessary." If he did so, he said, it would be merely "repossession" of authority he had vested in the president after seven months of military rule.

In its statement, the government said that in December 1987 "the country's economy was on the brink of ruin, investors were selling out and sending their money overseas and there was a mass exodus of skilled and other people.

"Employment in the country had declined rapidly, basic foodstuff was costing much higher prices, salaries in the public service were cut and disaster was staring Fiji in the face." Since then, the statement went on, "the national economy has been stabilised in the short space of three and a half years. The economic turn-around has been extraordinary."

The statement continued: "Cabinet believes that the unity of the Fijian people contributes to the stability of the country. The statement by Major General Rabuka threatens that unity and will create instability." It did not say whether the government intended to discipline Maj. Gen. Rabuka or dismiss him.

In his letter, Ratu Penaia reminded him that, as president, he was commander-in-chief of the Armed Forces and could decide the future of any officer, including the army commander. The government statement specifically defended economic policies and decrees which Maj. Gen. Rabuka had criticised. These included a proposal to introduce value added tax after elections which it has said it would hold around July 1992. The proposal had been discussed at councils of traditional chiefs and at a national economic summit, it said.

Maj. Gen. Rabuka also attacked draconian laws designed to defeat union opposition to the government-run sugar mills. The laws, introduced by decree last month as farmers began to organize a boycott of the sugar harvest, provide jail sentences of up to 14 years for disrupting the sugar industry and seven years for inciting anyone to do so.

In its statement, the government argued that the "decrees were not to restrict the fundamental rights of the individual but were to protect those farmers who wanted to harvest their cane and the cane-cutters who look forward to earn some money."

Demonstration of Support

BK1106142891 Hong Kong AFP in English 1334 GMT 11 Jun 91

[Text] Suva, June 11 (AFP)—Fiji's Government is seeking to avert a confrontation with the Major General Sitiveni Rabuka, sources said Tuesday, amid signs that popular support for the country's army commander is growing.

The weekly cabinet meeting lasted most of the day but failed to publish a reply to Maj. Gen. Rabuka's call for the government to resign.

Sources said President Ratu Sir Penaia Ganilau had written to Maj. Gen. Rabuka expressing "disappointment and shock" at his remarks, and insisting that he apologise to the government.

Reporters at Queen Elizabeth Barracks at Nabua, near here, said that between 800 and 1,000 people turned up there Tuesday to express support for the army commander.

They were allowed on to the base and presented him with token gifts including a whale's tooth and a tabua, a traditional sign of tribute, the reporters said.

The demonstration of support came after all reservists were ordered to report to their local unit headquarters by the end of this week, and all military personnel were told to "undergo respective medical board inspections and have their records upgraded."

The orders appeared in newspaper advertisements late Monday, and foreign diplomats here said they appeared to be a form of pressure on the government.

Suva was outwardly calm on Tuesday night and no unusual movements of troops or military vehicles were reported, but the capital was abuzz with rumours.

Rabuka Apologizes for Resignation Call

BK1206075691 Hong Kong AFP in English 0743 GMT 12 Jun 91

[Text] Suva, June 12 (AFP)—Fiji's Army Commander Sitiveni Rabuka has apologised for calling on the government to resign and has sworn allegiance to the country's president, it was announced Wednesday. In a statement issued here, the Ministry of Information said Major General Rabuka had made an "unconditional" apology to President Ratu Sir Penaia Ganilau.

The statement came hours after the cabinet issued an unexpectedly strong statement accusing Maj. Gen. Rabuka of threatening national unity.

New Zealand

Lifting of South African Sanctions Welcomed

MB1206072091 Umtata Capital Radio in English 0600 GMT 12 Jun 91

[Text] New Zealand has welcomed the prospect of the lifting of some Commonwealth sanctions.

Deputy Prime Minister Don McKinnon says a Commonwealth statement that the organization will decide on the process of relaxing sanctions is exactly what New Zealand has been pushing for.

McKinnon says there has been some sound progress on repealing the pillars of apartheid, and so the phased reduction of sanctions is looking pretty much on schedule.

McKinnon says providing the pillars of apartheid are repealed soon, as expected, then New Zealand will not oppose South Africa's return to international cricket.

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warning E2C which the Self-Defense Forces now possess. It goes without saying that their duty will be to guard the sea-lanes of the Pacific. Further, the Aegis destroyer has the capability of being able to attack numerous targets at the same time with its missiles. In addition to the two introduced during the medium term defense plan, the total number of Aegis destroyers will come to four. This means that the condition of having one accompanying each of the four protective fleets will be achieved. Their main duty will also be to protect our sea lanes.

Further, the multiple launch rocket system (MLRS, 36 vehicles, 50 billion yen), which can suppress instantaneously attempted landings by enemy soldiers, will be introduced for the Ground Self-Defense Forces.

This introduction of equipment indicates clearly the will to continue strengthening defense capabilities even after the reorganization level of the general rules has been reached. It also reveals the stance of strengthen even more defense cooperation between Japan and the United States in response to the American requests. Within this, the political intention of lessening the tensions in the Asia-Pacific region and taking the lead in further arms reduction is extremely weak.

Permanent Vice Minister Yoda of the Defense Agency explains, "Even though the number of Soviet troops in the Far East is decreasing, modernization of those troops is continuing. When we take into consideration the development of nuclear weapons by the Democratic Peoples Republic of Korea (North Korea), it would not be advisable for the stabilization of this land for Japan to proceed with arms reduction which could create a power void. Also, from the standpoint of maintenance of a firm relationship between Japan and the United States, through-going maintenance of our defense capabilities must be continued."

Finally, let's consider the meaning of the highlight of the next term defense plan, "the substantializing of the rear support division." In introducing its basic policy, the next term defense plans states that "endeavors shall be made to substantialize even more the backup areas of technical research and development and every kind of support function for the living conditions of Self-Defense Force members, information, guidance, and communications. Emphasis shall be placed on planning reorganization and maintenance of a balanced preparedness in overall defense capabilities." Particularly in the area of personnel policy, efforts are being made to improve deteriorated, over-crowded barracks by moving in the direction of semi-private rooms. Also, energy is being concentrated in increasing the appeal by expanding off-base living quarters. Even looking at the itemized costs shows that the increase in front line expenditures has been held down to 2.1 percent. (In the medium term defense plan this was 9.2 percent.) In contrast to this, expenditures for the rear line are an assured 5.9 percent. (The medium term defense plan was 6.4 percent.)

As the reason for this, the Defense Agency says, "The population comprising the young stratum of society will decrease in the future and it is inevitable that recruitment of self-defense force members will become difficult. It is necessary to free ourselves from the image of the Self-Defense Forces being the archetype of 3K work, or kiken (dangerous), kitanai (dirty), and kitsui (difficult)." The emphasis is being placed on organized defense. However, what is being aimed for seems to lie elsewhere. In other words, at this time when the winds of criticism are blowing strongly against defense spending, I get a sneaky suspicion that they are planning to gain the entire pie by investing in rear line divisions, toward which resistance even from the opposition parties is slight.

All of this lets us see the scars left from the strenuous efforts put out by the defense authorities to tide them over this age of change. There is also, however, the goal of trying to use this chance to bring the opposition parties into the fold. During a debate in the Diet last spring, the influence of the proposal to "freeze defense expenditures for three years" brought forward by Mr. Ichikawa, chief secretary of the Komeito, has been felt subtly here and there in the next term defense plan. One example of this is to limit the predetermined number of Ground Self-Defense Force members during the period of the plan to the present 153,000 and to reconsider during the time of the plan that number and what defense capabilities should be. The second is the inclusion of an article which provides for carrying out amendment of the plan in three years within the limit of 22.75 trillion yen. Mr. Ichikawa proposed (1) a three-year freeze; (2) a reduction of the set number of Ground Self-Defense Forces to 150,000; (3) a reduction in sea-lane defense and in the naval air defense organization; (4) strict adherence to the 1 percent GNP framework for defense spending, and so on. Concurrence was reached on a large portion of (2) and (1) can be felt slightly in the curbing of expenditures for the front line and in the amendment to be carried out in three years. Concerning (4), the oft-repeated phrase that "the spirit of a moderate defense capability reorganization will continue to be honored" is being repeated. However, in actuality, just by chance the forecasted GNP is increasing at a higher pace than was previously expected. Therefore, the ratio during the period will be 0.933 percent. This will be much less than the 1.04 percent of the medium term defense plan.

(3) Two Reconsiderations

The two subjects for reconsideration, "amendment of the plan in three years" and "rethinking of the predetermined numbers," indicate realistically that the next term defense plan is a "transitional period plan" (top brass of the Defense Agency). Well, then, in what order will this rethinking be carried out and in what direction will it move?

From April on, when the next term defense plan will formally begin as the "new medium term defense capability reorganization plan," the first subject to be taken up for reconsideration is "what defense capabilities, including the set number of Self-Defense Force members, should be." In reality, full-scale reconsideration will begin when the new organization centered around chief secretary Hiyoshi (candidate for next permanent vice-minister) starts functioning in June or July. Concretely, the following shall be the themes taken up for reconsideration: (1) Rethinking of the recruitment and employment of self-defense personnel; (2) If recruitment of the necessary numbers becomes difficult, will it be possible to maintain a home defense system even when corps formation and equipment is reduced?; (3) How far will it be possible to economize on equipment for the fleet and so on?; and (4) Classification of the predetermined numbers during peace time and during emergencies. If these are seriously considered, it will become a theme directly connected to reconsideration of the general rules.

It is a sure fact that all of this is dependent on how international conditions change in the next year or two. For the time being, the Soviet crisis will continue and conditions leaving no hope of stabilizing international relations through American/Russian cooperation will continue. In addition, since it is inevitable that mopping up after the war in the Gulf will be dragged out, conditions allowing for carrying out reconsideration in earnest do not exist. Immediately after the decision concerning the next term defense policy has been made, when the problem of reconsideration was brought up in the Diet during the time that efforts to garner opposition party approval were being made behind the scenes, it is a fact that there were leaders who intimated positively concerning future rethinking of the general rules. However, if we think about the fact that the Defense Agency and the Self-Defense Forces are opposed to a rethinking of the general rules which would shake the very foundations of their own existence, nothing more than a perfunctory job of reconsideration can be expected under these conditions.

Further, the "amendment in three years" will become the work of fiscal 1993. The results of this also are "dependent on the reconsideration since no decision has been made to amend in the direction of expenditure reduction," (an official). This is their true intention. The rolling method was also included in the medium term defense plan. It was reconsidered under economic, financial, and international conditions and technological levels which existed three years later. However, in this case, for the reason that conformity with the braking method of revealing the total amount will be lost, there is a history of it being put off. Even though the conditions are different this time because it is limited to expenditure reduction revisions, there is no guarantee that revisions will be made.

(4) Domestic and Foreign Evaluation

It is only natural that each of the opposition parties has reviewed the next term defense plan harshly and they show every indication of pursuing this line during Diet debates. Even the Komei Party, which is the target of the Defense Agency, has criticized introduction of AWACS by saying that "the very thinking itself of sea-lane defense and naval air defense is a concept from the Cold War age and introduction should be put off." Concerning the total expenditure, also, they are demanding that "it should be greatly reduced because it is overly large." The Socialist Party has dismissed outright the plan by saying, "It is a continuation of the long-established strategic concept which requires military capability preparedness. It is an extremely derelict plan." The Communist Party has decided that "it is something decided at the behest of America." On the other hand, the Democratic Socialist Party has shown understanding by saying, "rationalization of preparedness organization should be carried out to prevent uncontrolled expansion of expenditure and emphasis should be placed on the rear lines."

The fact of the matter is that the oppositon parties themselves have not pointed out the direction for a defense policy which includes a new national strategy which overviews the post-cold war age. To what extent, then, they are capable of constructively criticizing the next term defense plan is questionable.

On the other hand, for some reason or other, there is almost no information coming in on foreign evaluation of the plan. It is quite natural that the U.S. Government evaluated the new burden of costs for stationing troops in Japan and introduction of AWACS positively as proof of firm adherence to the Japan-U.S. Joint Security structure. However, the countries of Southeast Asia and Korea, which have expressed apprehensions that the making of Japan into a military giant will mean that "Japan will jump into the void left after the withdrawal of American troops and advance into Asia," are still holding back on expressing their opinions.

Amidst all that, the statement printed in the TOKYO SHIMBUN on 10 January by Major General Gerry Batenin, a Soviet military expert, showed a slight change. He said, "The military capacity of Japan corresponds to the principle of self-defense sufficiency." This tickled the fancy of officials at the Defense Agency. However, this statement was not a comment made immediately after the next term defense plan. As can be understood from the conclusion that "if the relationship between Japan and the Soviet Union switches to the path of cooperation and to that of good neighbors, it will become possible to view from a different angle the mutual relationship of attack and self-defense capability," this is probably tinted with the colors of a peace offensive.

Self-Defense Theory Taking Into Consideration National Strategy

There is much criticism that the self-defense plan general rules are behind the times. Let's take a look back, however, to 1975 and 1976 when the defense plan general rules were decided on. The mainstream theory at that time was the "needed defense capability theory" which advocated direct resistance to the military threats which surrounded us. Amidst this, using international conditions under which detente was progressing as the reason, leaders thought that making preparations for a "basic defense capability" which allowed during times of

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peace for response to a limited, small-scale invasion would be sufficient. This can be said to be a rather dramatic shift in thinking concerning the general rules. Even military critics such as Mr. Tetsuo Maeda evaluated it highly by saying, "The concept of the general rules was original. The limit of 1 percent of the GNP also came from them." He regrets that, "The Miki cabinet of that time had neither the time nor the power to begin arms reduction. Thereafter, things were directed toward arms increase."

Since this policy was decided on by suppressing the dissatisfaction of the uniformed group and the national defense faction of the Liberal Democratic Party, both of whom strove for ever-increasing targets, not only did debate occur in the government and within the Liberal Democratic Party, but also widely among the populace.

The present next-term defense plan was made against the background of a full-fledged change in international conditions. If we take into consideration the fact that the international position of Japan has expanded beyond anything comparable to that time, making this policy decision under this kind of low-key debate and scrutinizing process will probably leave the root of evil for the future.

Well, then, what viewpoint is necessary during Diet debates hereafter or during the work of rethinking defense capability to be carried out from April onward? What is of utmost importance is in what form to stabilize the Japanese-American alliance. There is no doubt that most of the populace attach great importance to this.

However, it is also a fact that the doubts and dissatisfactions about the out-of-shape relationship of the two countries brought on by the increase in the support costs for troops stationed in Japan and the unchecked burden of the Gulf war costs are smoldering within our country.

Conversely, within the United States also, a question concerning the one-side assumption of the hypertrophied defense of Japan has arisen. America, which thinks of Japan as "the important stratetgic point in the Far East," will in no way withdraw its troops from Japan and any great reduction in their numbers is also not possible. And the recognition that for the medium and long-term peace and stability of Asia and the Pacific the frontline deployment of America in the Far East is indispensable has not lost its soundness. Therefore, when considered from the viewpoint of our national prosperity, it can be thought that continuation of financial support for American troops is the natural thing.

However, although the Joint Security Treaty prescribes support of the United States, we can do nothing but rethink in some way or other the responsibility of supporting the United States in an emergency which involves only that country. Nevertheless, our Constitution will not allow us to provide military support to the United States outside of our own country. If that be the case, (1) defense of Japan is something which must basically be dealt with by our own power; (2) that defense will have to be complemented by the collective security of the Far East; (3) Japan must make financial contribution to the Far East Security Organization; and (4) Japan must continue to support financially the role of American troops in the Far East. In this way, which differs from that followed up until now, should not Japan and America seek to develop a new, security guarantee which is mutually complementary?

In such a case, we should devote ourselves even more wholeheartedly than at the present to the defense of the homeland, dispense with the sea-lane defense, which would cause misunderstanding in Asia, and make perfectly clear that we are not striving for expanded autonomous defense.

Further, for the purpose of building collective security in the Far East, what is important is the means for preventing a recurrence of the expansion of the Soviet military threat. This will be difficult if we do not bring to reality military reductions in Asia inclusive of China. In Japan, however, we have the economic power to restrain both China and the Soviets. Up until now, we have in no way effectively used this weapon. The reason for this is that we were almost completely lacking in strategic concepts. We should also be able to gain a free hand with the United States if we stand on the relationship that "we will pay out the money, but the responsibility of the U.S. to defend us is no longer necessary. In place of that, we will have our say." This will, will it not, ultimately become the base for stabilizing the relationship between Japan and the United States over the long run?

Mr. Nishihiro, former permanent vice minister of the Defense Agency, has stated very candidly that, "Since there has been no satisfactory strategic discourse up until now (inclusive of the Defense Agency), there could only be moderate, easy plans." About this time, I sincerely hope that birth is given to a drastic defense concept which will surpass the general rules and look toward the 21st century.

Defense Agency To Improve Patriot Missiles

OW1106210491 Tokyo JIJI in English 1401 GMT 11 Jun 91

[Text] Tokyo, June 11 (JIJI PRESS)—The Defense Agency is planning to improve its Patriot missiles from fiscal 1992, starting next April, enabling them to intercept high-speed tactical missiles, government sources said Tuesday.

The Air Self-Defense Force had 5.5 groups of the intercepter missile at the end of fiscal 1990. However, most of the missiles are designed to cope with intruding aircraft or low-speed missiles fired from aircrft.

The planned remodeling will give the missiles anti-tactical ballistic missile (ATBM) capability, so they will be able to intercept high-speed missiles such as the Soviet-made Scud missile, which flies at a speed of mach 3 to mach 6.

In the Persian Gulf war, U.S.-led multinational forces proved the effectiveness of the Patriot missile with the ATBM function by shooting down Iraqi-fired Scud missiles.

The remodeling process mainly involves improvements to computer hardware and software.

The agency has to (?introdce software) programs directly from the developer of the Patriot, Raytheon Co. of the United States. The agency expects the U.S. Government to allow Raytheon to provide the programs, the sources said.

Japan bought the Patriot for the first time in fiscal 1985. A total of 17 Japanese companies, including Mitsubishi Heavy Industries Ltd., NEC Corp. and Mitsubishi Electric Corp., are now licensed to manufacture the ground-to-air missile.

Foreign Ministry Opposes Commission Report

OW1006061891 Tokyo NIHON KEIZAI SHIMBUN in Japanese 8 Jun 91 Morning Edition p 2—FOR OFFICIAL USE ONLY

[Text] The Foreign Ministry is up in arms against the draft recommendations on foreign policy drawn up by the Japan in the World Committee (World Committee, for short; chaired by Kazuo Inamori) of the ad hoc Commission on Administrative Reform (Third Gyokakushin). The Foreign Ministry is making headstrong efforts to fight back, including the writing of a formal counter argument against the commission asserting that "if the draft recommendations are followed, dualism in foreign policy might result." Due to the Foreign Ministry's indignation, it seems that the World Committee's recommendations are bound to be revised. Cynics have commented that this was an "exceptionally quick response" from the Foreign Ministry, which has always been known for its slowness in reacting to things.

From the very beginning, the World Committee's theme has been "to formulate basic concepts which will form the basis of foreign policy in answer to the criticisms against Japan's faceless foreign policy" (according to Chairman Inamori). Even before the committee was formed, it was reported that Gyokakushin Chairman Eiji Suzuki, who was frustrated with the government's slowness in responding to the Gulf crisis, directly confronted Prime Minister Kaifu late last year and said, "please let us work on foreign affairs." Thus, the work of the committee started with criticism of the Foreign Ministry. Such was the background of the affair.

After conducting deliberations, the committee drew up the following draft recommendations: (1) creating a new post of minister without portfolio in charge of foreign affairs; (2) abolishing the qualifying test for foreign service officers; (3) promoting personnel exchanges with other ministries and agencies; and (4) appointing ambassadors from the private sector. On the number of officials in the Foreign Ministry, the report contained an expression saying that the ministry "is exceptionally privileged, compared to other ministries and agencies," hinting at a need to reconsider personnel appointments.

The Foreign Ministry is taking issue with two points: 1) if other ministries and agencies' functions in dealing with foreign countries are reinforced, this might result in plural diplomacy; and 2) it is a hasty conclusion to say that the number of Foreign Ministry personnel is exceptionally privileged without conducting a full study.

Kuriyama, administrative vice minister for foreign affairs, is making the rounds explaining the Foreign Ministry's views, not only to Gyokakushin officials, but also to Liberal Democratic Party officials. Director Seki of the Latin American and Caribbean Affairs Bureau, who has many acquaintances among Gyokakushin members, has also been specifically assigned by the director of the secretariat of the foreign minister to engage in persuasion work. This is a rare case in which the Foreign Ministry is united as one in launching its counterattack.

The reason why Foreign Ministry officials were all shocked and started to launch a counteroffensive is because they still recall the bitter experience during July 1985 wherein despite Foreign Ministry opposition, the Gyokakushin had included in its recommendations the "formation of a councilors' office on external affairs within the cabinet," which subsequently materialized. Furthermore, since the failure of the UN peace cooperation bill last autumn, mid-level officials, such as the chief administrative officers, and younger bureaucrats have resented the senior officials' failure to take effective measures against outside criticism. A number of mid-level bureaucrats have reportedly said, "some colleagues have been saying if we fail even in measures to deal with the Gyokakushin, let us resign from civil service."

Administrative Vice Minister Momosaki of the Management and Coordination Agency, which has jurisdiction over the Gyokakushin's secretariat, presented an explanation to the Foreign Ministry on 1 June. He passed on the message that the Gyokakushin never meant to advocate a dual foreign policy or the uselessness of the Foreign Ministry.

During the Gyokakushin meeting on 5 June, a retired Foreign Ministry official was very displeased when he said, "that is not what foreign policy is." The mood in the World Committee has changed significantly, and an revision seems to be inevitable.

YOMIURI SHIMBUN on International Trade

OW1106075891 Tokyo THE DAILY YOMIURI in English 8 Jun 91 p 6—FOR OFFICIAL USE ONLY

[YOMIURI SHIMBUN 7 Jun editorial: "Quell the Economic Tempest"]

[Text] The 1990s ushered in a turbulent and uncertain economic world compared with the consistent economic expansion of the 1980s, according to the 1991 international trade white paper.

A ministerial meeting of the Organization for Economic Cooperation and Development (OECD) held earlier this week in Paris is foreshadowing the July summit meeting of the seven industrialized nations in London.

Although the aim of the Paris meeting was to promote construction of a new international economic order in the 1990s, the OECD talks ended with every problem unresolved.

The top issue on the agenda was the Uruguay Round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade. The talks, which were scheduled to end last December, have been hung up by bickering over protectionism and market liberalization and cannot be delayed any longer.

The communique released after the OECD meeting said that in order for the talks to be successfully completed by the end of the year, some tough political decisions will be necessary and that substantial progress will have to be made by the end of the summer.

Talks In Trouble

There are 15 topics being discussed at the GATT talks, including reduction of tariffs and protective measures in farm and textile trades, and promotion of service industry trade.

But agriculture is the issue bogging down the round, especially the U.S.-European dispute over subsidies to agricultural exports.

The intensity of talks over agriculture should pick up now that the OECD ministerial meeting has given the Uruguay Round negotiators a little prod.

Following the OECD session, Agriculture, Forestry and Fisheries Minister Motoji Kondo held a meeting with U.S. Agriculture Secretary Edward Madigan in the suburbs of Copenhagen.

After the Kondo-Madigan talk, a high-ranking official at the ministry said that a political decision over the rice issue was close at hand. This was the first hint from a negotiator participating in the rice talks that the government was thinking about partially opening Japan's rice market.

Opening the market makes sense, but the timing must be right or it could be counterproductive.

Domestic problems are complicating the agricultural issue for the United States and the European countries, making it difficult for them to compromise. Once the government announces the partial opening of the rice market, Japan should emerge as the leader in the agricultural talks.

Boosting Growth

Next on the agenda at the OECD session was how to recover economic growth after the worldwide slowdown.

The most vital question was how to coordinate financial policies of the member countries. In particular, there was great concern among the OECD countries about when Japan would reduce its official discount rate.

But ministers failed to reach an agreement concerning a reduction in the rate and the communique merely stressed the importance of controlling inflation and economic growth.

This year's economic growth rates in real terms differ sharply from country to country. The economies of Japan, Germany and France are projected to expand at slightly below 4 percent, 3 percent and 2 percent, respectively, while the U.S. economy is expected to show zero growth and Canada is likely to suffer a decline of 1 percent.

The seriousness of economic conditions also varies from country to country, making the coordination of policies difficult. Nevertheless, each country, without relying on monetary policies alone, should try to reduce fiscal deficits and amend structural policies.

The third point the communique touched on was the Soviet Union's worsening economic crisis. The OECD ministers stopped short of asking for concrete measures, such as large-scale economic cooperation and financial assistance for that country, and were content with suggesting political dialogue and technical cooperation.

Considering the current state of political and economic reforms in the Soviet Union, Western nations would have a very difficult time offering large-scale financial support. Besides, the effect of such aid is doubtful. Pumping a huge amount of financial aid into the country could actually dampen the Soviet Union's self-help efforts.

For the time being, the West should give priority to technical cooperation aimed at facilitating the transition to a market- oriented economy as well as modest support of the Soviet Union and Eastern European countries through the European Bank for Reconstruction and Development.

Finance Minister Interviewed on Aid, Rice

OW1106024591 Tokyo SANKEI SHIMBUN in Japanese 6 Jun 91 Morning Edition p 10—FOR OFFICIAL USE ONLY

[Interview with Finance Minister Ryutaro Hashimoto by a SANKEI SHIMBUN reporter on 5 June; place not given]

[Text] [SANKEI SHIMBUN] What subjects will be brought up at the forthcoming London Summit?

Hashimoto: The summit will bring up, among other subjects, economic aid to the Soviet Union. The summit will also take up financial shortages in Central and East European nations that are now promoting their economic reforms and Middle East nations. The macro economy, the Uruguay Round, the environmental issue, and the drug issue are likely to be subjects to be discussed at the forthcoming summit.

[SANKEI SHIMBUN] How do you see the issue of providing economic aid to the Soviet Union?

Hashimoto: The Houston Summit, held last year, discussed the issue based on "an illusion" that perestroyka (restructuring), promoted by President Gorbachev, would succeed. The illusion of perestroyka has since disappeared and if the Soviet Union is left unassisted as it is, the Gorbachev regime might collapse and the Soviet Union will be plunged into political and economic turmoil.

[SANKEI SHIMBUN] What is the possibility of the summit agreeing on emergency economic aid to the Soviet Union?

Hashimoto: In the case that the summit reaches such an agreement, Japan's position would be an issue. The return of four northern islands to Japan has been an issue between Japan and the Soviet Union, and the Houston summit termed the return of the four northern islands an issue left over by the cold war structure which emerged after the end of World War II. As a result, Japan has found moves toward economic aid to the Soviet Union difficult. I mean, that if Japan sets forth a cautious attitude toward providing economic aid on grounds of the territorial issue, it might be criticized as being egoistic.

We need to seriously ponder this point. We also need to make a serious study of whether the best option for Japan is to participate in discussions on economic aid to the Soviet Union at the summit, based on the solution of the territorial issue.

[SANKEI SHIMBUN] Japan is the only nation financially capable of providing economic aid to the Soviet Union. What do you think?

Hashimoto: For that reason, if Japan brings up the territorial issue at the outset of summit discussions, it might be criticized as being egoistic. For example, Japan should insist that in view of reports released by international monetary organizations and the domestic situation in the Soviet Union, economic aid carries a high risk and this risk should not be taken by a specific nation, but be shared equitably by the nations concerned.

[SANKEI SHIMBUN] What about the macro policy?

Hashimoto: At meetings of the Group of Seven, G-7, participating nations have been deeply divided over how to deal with inflation and the stagnant economic growth in their nations. Some nations have insisted that priority be given to curbing inflation while other nations have maintained that priority be placed on spurring economic growth. The biggest issue at the forthcoming summit will be how to prevent their differences from widening further, and on building a consensus. Japan's economy has calmed down from its one-time heated boom. At present, economic indicators are sending mixed signals of prospects for both a downturn and upturn for Japan's economy. I believe that the economy has returned to a normal and cruising pace for the first time in many years.

[SANKEI SHIMBUN] Is it not necessary for the government to take some measures to prop up the economy?

Hashimoto: We are now looking closely at the need to do so. Take the supply and demand of the work force for example, it still remains tight. We should also pay a close attention to prices. I do not think that the government needs to change its policy or take measures to prop up the economy. (Regarding Japan's international cooperation), Japan is not in a situation where it can comply unlimitedly with international demands. The government needs to set priorities in complying with international demands. I do not mean that the government needs to grapple with something right now.

[SANKEI SHIMBUN] What do you think of the issue of opening the Japanese rice market to foreign nations in connection with the Uruguay Round?

Hashimoto: The biggest problem is that people raise the issue whenever they mention the Uruguay Round. For example, it is true that the rice issue has been raised symbolically in Japan-U.S. relations. Nonetheless, the rice issue is not the biggest subject at the Uruguay Round.

[SANKEI SHIMBUN] However, I think that the rice issue cannot be left unresolved in Japan-U.S. relations.

Hashimoto: I do not agree with your argument. The rice issue will be settled at the Uruguay Round. We should make a clear statement about the issue, while contending that it is not a bilateral one.

Response Time on Foreign Complaints To Improve

OW1106001491 Tokyo NIHON KEIZAI SHIMBUN in Japanese 30 May 91 Morning Edition p 5—FOR OFFICIAL USE ONLY

[Text] The government plans to strengthen the ombudsman system in order to assure a precise response to complaints by foreign enterprises regarding import procedures. Since Japan's trade balance began to again show steady surplus trends, the government has decided that Japan needs to show, both at home and abroad, that it is trying to expedite market liberation and is eager to promote imports. The government will also enable foreign industries to take steps necessary at the chamber of commerce in their respective countries to easily file complaints. At the same time, the government will press for an early settlement of pending cases for which no improvement measures have been taken despite the fact that complaints were filed at the Office of Trade Ombudsman (OTO). On the other hand, the government will speed up import procedures following an expansion of customs information system for air cargoes.

Measures designed to strengthen the ombudsman system will be officially approved at an advisory meeting (chairman: Saburo Okita) of the OTO, slated to be held in mid-June. First of all, the meeting will reexamine the cases for which no improvement measures have been taken. So far, the OTO has received 431 complaints. Of these, 124 cases are being left without improvement measures because the companies which filed complaints and the relevant ministries and agencies are maintaining parallel assertions. These cases will be reexamined and the government will work on the relevant ministries and agencies to make improvements in favor of the plaintiffs as much as possible.

In addition, the government plans to allow foreign enterprises to apply by proxy through the Chamber of Commerce in their respective countries in order to make procedures for complaint filing easy.

Working in parallel with this, the government is going to take a serious look into streamlining import procedures, the complications of which were also pointed out at the Japan-U.S. Structural Impediments Initiative (SII) meetings.

As for concrete measures, the government will successively expand areas where the NACCS [Nippon Air Cargo Clearance System] will be introduced, starting in the spring of 1993. This is a computerized system that will carry out all required customs procedures, such as applications and the bringing in and out of imported cargos. Customs procedures, which normally require 24 hours, will be reduced to about five hours after the introduction of this system.

Currently, this system is used at the New Tokyo International (Narita) and Itami Airports. Its early introduction is planned for major national airports, including the Kansai New Airport, which is under construction, Nagoya and Chitose.

Moreover, the government will study the possibility of introducing a "system of filing customs clearance at the opening of business hours." Under this system air cargoes arriving at night will be registered in computers on the day of their arrival so that customs clearance will automatically be started the following morning when customs work begins.

The reason behind the government launching a further adjustment to improve problems surrounding imports has its roots in the tendency toward trade surpluses that began in January of this year. The monthly export rate for 11 consecutive months after June of 1990 continued to exceed that of the same period for 1989. Contrasting this, the amount of imports in April this year fell below last year's average for the first time in 10 months, a surfacing once again of the trade imbalance. Because of this, the government wants to stem criticism against Japan by strengthening the ombudsman system and speeding up customs procedures.

Obstacles Seen to Hashimoto's LDP Presidency

OW1006182791 Tokyo THE DAILY YOMIURI in English 10 Jun 91 p 2—FOR OFFICIAL USE ONLY

["Political Pulse" column by Kenji Kitahara, YOMIURI SHIMBUN political editor: "Eloquent Hashimoto Facing Obstacles to LDP Post"]

[Text] Finance Minister Ryutaro Hashimoto, 51, is rapidly emerging as a likely candidate in the Liberal Democratic Party [LDP] presidential election in autumn, in which the uccessor to Prime Minister Toshiki Kaifu is expected to be chosen. Political observers, however, note several obstacls to his candidacy.

Hashimoto, born in 1937, is one of the new leaders in the LDP. He is smart and eloquent, and dresses with flair. But he is less popular within the LDP than he is among the general public.

Hashimoto currently serves as de facto deputy prime minister for the Kaifu Cabinet, and is therefore influential in terms of policy. He is reportedly so voluble at Cabinet meetings as to occassionally corner his Cabinet colleagues in argument.

His political rivals point out that Hashimoto has no close followers inside the LDP.

Two years ago he was about to be "recommended" as a candidate in the LDP presidential election, chiefly by Diet members belonging to the faction of former Deputy Prime Minister Kiichi Miyazawa. But strong opposition to his candidacy was raised by the Takeshita faction, to which Hashimto belongs. Hashimoto's potential candidacy was crushed by former deputy Prime Minister Shih Kanemaru, Takeshita's mentor, and former LDP Secretary General Ichiro Ozawa, Hashimoto's intrafaction rival.

The fluid political situation following the death of former LDP Secretary General Sintaro Abe is attributed to the sudden "resurfacing" of Hashimoto as a presidential election candidate. When Abe was alive, there was no possibility of his candidacy because it was Takeshita faction's basic policy to help Abe become next LDP president.

However, Abe's death has greatly changed the stance of the Takeshita faction in that it can now field its own candidate in the presidential race.

If the Takeshita faction fields its own candidate, Takeshita himself and Hashimoto and Ozawa are the likely candidates.

Why has Hashimoto surfaced as the most likely candidate from the Takeshita faction? Political observers point to several factors:

One is that Ozawa, a "mortal enemy" of Hashimoto, has sounded out Takeshita on a plan for Hashimoto'scandidacy. Ozawa's action is thought to indicate that he is not reluctant to support Hashimoto. Another is that Kanemaru has recently held a close meeting with Hashimto.

Another is that Kanemaru categorically predicted that Takeshita would not run in the election and referred to Hashimoto as one of the possible candidates.

Hashimoto's selection primarily depends on Takeshita's intentions, because it is unlikely that Hashimoto, who is said to be close to Takeshita, would run in the election without considering Takeshita's wishes.

Hashimoto, if he runs under the support of the Takeshita faction, will be positioned closest to the post of the LDP president and prime minister because the Takeshita faction is the largest inside the LDP. The choice of Hashimoto as LDP president would serve to prompt a "change of generations" in the top echelons of the LDP so rapidly that Miyazawa and former LDP Policy Research Council Chairman Michio Watanabe will have their political careers terminated and Takeshita and former Prime Minister Yasuhiro Nakasone would also become "old-timers."

Against this backdrop, the selection of Hashimto as its candidate by the Takeshita faction signifies nothing short of an LDP "revolution."

However, anything can happen in the five months before the election.

* Obuchi To Continue LDP-Komeito-DSP Line

912B0131A Tokyo ASAHI SHIMBUN in Japanese 11 Apr 91 p 4—FOR OFFICIAL USE ONLY

[ASAHI SHIMBUN interview with new LDP Secretary General Keizo Obuchi; 11 April, Tokyo]

[Text] [Asahi] To begin with, what are your goals?

[Obuchi] I would like to carry out my term with ease and sincerity. My goal is to ease the tensions that developed during the election, putting much effort into managing the party amicably.

[Asahi] As for managing the Diet, your predecessor Mr. Ichiro Ozawa, stressed the Liberal Democratic [LDP], Komeito, and Democratic Socialist Party [DSP] line.

[Obuchi] I would like to continue that policy. On matters of principle, the three parties speak, shall we say, from equal distances. But on important issues, they are able to understand each other quite well.

Cautiously Reforming the Electoral System

[Asahi] Your predecessor was enthusiastic about political reform.

[Obuchi] That is an issue on which Kaifu's cabinet has been working at grave political risk. During the Takeshita administration, his cabinet put reform on the agenda. We have to be careful because the election system is a big issue which determines the life and death of a politicians' career.

[Asahi] Can you be more specific?

[Obuchi] If all the governors were from the ruling party and the power to criticize the government at the prefectural level were to vanish—as in the case of the last local elections—voter turnout would be low. On the central level, the starting point is an electoral system in which a healthy ruling party and healthy opposition parties give a high-minded direction to the administration by playing off one another. I will tackle this problem no less effectively than did Mr. Ozawa, even though my methods may differ.

[Asahi] One of your tasks will be to establish a new organization to assist the UN peace keeping operations (PKO).

[Obuchi] Since last fall, we have sought to start anew, based on a three party agreement at the Extraordinary Diet Session. Our agenda has not progressed to the point that I can tell you when a new law regarding our role in the peace-keeping operations will be set forth.

[Asahi] What about sending our minesweepers to the Persian Gulf?

[Obuchi] I am still studying each party's opinion on this option at this time.

[Asahi] Rice will also be a big headache for your administration.

[Obuchi] We put as much faith as possible in the government for concluding the Uruguay Round of negotiations with tangible results. We can only do our best, but the outcome of negotiations is always difficult to predict.

[Asahi] The president of the Soviet Union will visit Japan soon. What are your thoughts on the Northern Territories issue?

[Obuchi] I met with President Gorbachev twice last year as a member of the LDP delegation. I told him that now is the most opportune time to resolve our long-standing differences and establish friendly relations.

Supporting Prime Minister Kaifu

[Asahi] What is your basic policy on handling the LDP presidential election scheduled for October?

[Obuchi] Kaifu's term in office does not end until October. I, as well as other members, support him completely and will try to create a working environment that will facilitate Kaifu's successful completion of his term.

[Asahi] There has been much attention focused on Diet members involved in the recent Recruit scandal running for office again. Do you have any comments on this?

[Obuchi] If you define those involved in the Recruit scandal as Diet members who received contributions, then you would have to include me also. My honest feeling is that, in general, election results justify the activities of politicians. Beyond this, it is a matter of how the candidates respond to criticism.

[Asahi] You were an aid to former Prime Minister Takeshita. What is your view on Takeshita's return to power?

[Obuchi] My understanding is that Takeshita only offers appropriate advice based on his experience as prime minister, hoping to prevent politics from diverging from the correct course. After all, Takeshita's return to power depends on Japanese citizens voting for him or on the disposition of the party. He is not actively seeking the prime ministership.

[Asahi] Some observers anticipate that Takeshita's influence will increase.

[Obuchi] Regardless of whether or not I assumed this post, Mr. Takeshita will alsmost certainly confer with Prime Minister Kaifu on important matters. I myself welcome his advice, and I think he will offer it freely.

Obuchi's Approach Is Indirect

[Asahi] How would you assess the methods of Mr. Ozawa, who has gained a reputation as an overpowering pitcher?

[Obuchi] I rather admire his method of encouraging open discussion as well as his strong leadership. However, he had a slight mishap related to the Tokyo governor's election, probably because he is a very direct person, unlike me. I inherited this indirectness from Mr. Takeshita.

* Leadership Rivalry in Miyazawa Faction

WA7060400 Tokyo ASAHI SHIMBUN in Japanese 21 May 91 Morning Edition p 4—FOR OFFICIAL USE ONLY

[Text] A "peace declaration" has recently been issued in the "KK war," which concerns the "rivalry" for leadership within the Miyazawa faction. The declaration is a link in strengthening factional preparations to earnestly focus on this fall's elections for the Liberal Democratic Party [LDP] presidency.

The initials "KK" denote the first letters in the surnames of faction leaders Yohei Kono and Koichi Kato. The other LDP factions consider that these two prominent men are competing for the future leadership of the Miyazawa faction. Within the faction this struggle has become a symbol of generational conflict, with Kato being supported by younger and middle-ranking faction members and Kono receiving support from veterans of the faction.

On 9 May, faction Secretary General Fumio Abe summoned the two and appealed to them: "If you two can't get along, the Miyazawa faction will never come to power." Then at a 16 May faction executive committee meeting a "peace declaration" was issued, stating that "the KK war has finally ended, and conflict within the faction has ceased."

Indeed, Kono and Kato wore expressions of embarrassment in attempting to suggest that "there was no such thing as a war." Thus far, because they have not argued in public and there have been no scenes of conflict, they appear to be of the same mind. It seems, though, that the declaration has been used as something to strengthen the faction, but Mr. Abe must have smiled bitterly over having to surface the problem.

MHI President Discusses Competitiveness, Profits

912A0204A Tokyo SHUKAN KORON in Japanese Mar 91 pp 52-55—FOR OFFICIAL USE ONLY

[Interview with Mitsubishi Heavy Industries president, Kentaro Aikawa by SHUKAN KORON editor-in-chief Yoshikazu Onaka

[Text] **Deal With Strong Yen Through Overseas Procurement**

[Onaka] Environmental measures are now being seriously promoted on a global scale; and I wonder if, speaking of environmental issues, you must feel that it gives you another job.

Aikawa: Well, we have been wrestling with it at Mitsubishi Heavy Industries [MHI] for a long time. When I was in Nagasaki some 20 years ago, we were already making such things as sulfur scrubbers.

[Onaka] Even though at that time no one was making such a fuss about environmental problems?

Aikawa: Frankly, we were worried about whether they would ever be saleable products. That was when I was a division chief.

[Onaka] As a worldwide indicator these days, environmental issues seem to be a social responsibility of business for the sake of preserving the planet, do they not? With you having been president for a year and a half, what are your thoughts concerning that?

Aikawa: Fortunately, business conditions are quite good; and with our firm also finally making a good showing, I can breathe a sigh of relief, candidly speaking.

[Onaka] At the time that you became president, was there anything about your management circumstances that was a cause for uneasiness?

Aikawa: Nothing anywhere that was a perilous situation.

[Onaka] Now that we are really into the 1990's how do you analyze the business environment as it involves your corporation?

Aikawa: I don't think the business environment will be adverse for our kind of business, at least for the next two or three years. Anyway, I say we'll be all right if we just work steadfastly.

[Onaka] So, you're saying that the things that you all have cultivated so far are finally becoming profitable and that you see no source of instability even in the future. How about the strong yen?

Aikawa: The strong yen was a matter that was giving us lots of pain when I was in Nagasaki. At that time, when we began exporting, it was about 320 to the dollar. Then it went down and down to 120. The whole time it was in the process of falling I was specifically in charge of exports. So, I was frantically dealing with how to assimilate that.

[Onaka] Concretely, what kinds of things could you do?

Aikawa: What we did was overseas procurement. Also, we employed local people at construction sites. If we had taken people from Japan, we would have had to pay such things as travel expenses; but we were able to put such costs to effective use in training talented persons and supplying the know-how. Another thing was that we kept construction overseas to a minimum. I mean by building things within our factories as much as possible.

For example, with power plants—huge generating plants of 200,000 kilowatts and 600,000 kilowatts—we cut boilers for power generation into small pieces so that at the site we would assemble them as though we were putting up buildings. And, we would carry them there on module ships with flat decks.

[Onaka] You shipped them by sea?

Aikawa: We had them assembled and taken in blocks of some 25 meters in height, and we stacked them up at the sites.

Since our employees were local people, we could pay their wages in dollars. It was on the scale of 1,000 to 2,000 people. So, then no matter how the exchange rate changed, we had to pay only so much per day in dollars.

Then, there was the overseas procurement. So, if the point was to get the same price to the extent possible, we would buy from foreign countries, doing the purchasing in Spain, France, Germany, England and so on. We did everything in dollars. And, we worked hard at reducing our costs domestically, so that things we had sold at about 250 yen we could somehow manage to sell at 120 yen.

[Onaka] That was a tough, desperate effort, wasn't it.

Aikawa: So, now we are getting orders at 120 yen. Things that we formerly got for 250 yen are now 120 yen, meaning that we are now getting them for exactly half price. So, I mean all that was a good lesson for us.

[Onaka] In that respect you have the experience, so that you have proven experience for your strategy for the future, don't you.

Aikawa: We can make a go of it at 120 yen. Still, we'd like it to be a little bit better.

[Onaka] How about your true feeling?

Aikawa: My true feeling is that I'd like to have it be about 180 yen; but I tell our staff that they have to make a go of it at 120 yen.

[Onaka] How about the future prospect?

Aikawa: I do not see the rate getting any worse than 120 yen.

[Onaka] Still, the business environment is a living thing.

Aikawa: When we go to other countries, we feel how high the yen is at 120. When Americans come to Japan, they may think that prices are so high. However, I think it probably will not go to 100 yen. When I consider that, it makes my hand tremble. I say keep working at getting things at 120 yen. I say that if it becomes 100 yen we'll think about what to do at that time.

Our Goal Is Ever Higher

[Onaka] Isn't it best to have you scolding and encouraging your employees in that spirit? Then, what about your business planning henceforth?

Aikawa: We have our medium-range plan up through 1994.

[Onaka] Concretely, where have you set your objectives for that medium-range plan?

Aikawa: It is sales of 3 trillion yen. And also a profit rate of seven percent, or 200 billion yen.

[Onaka] And that goal—at the present stage....

Aikawa: We are getting ever closer to it. Seven percent of 3 trillion yen is a fairly high goal. I always say our goals have to be high. A goal that is within your reach is not what I call a goal.

Anyway, in due course we will pass 2.5 trillion. So, I say we might just possibly get to 3 trillion yen.

[Onaka] Not just possibly. Might you not do it at mid-point or about a year early?

Aikawa: Well, let's see. Maybe a year earlier.... I do have a feeling that we'll certainly make it within five years.

[Onaka] Now, on conditions at home and abroad. Overseas, have the so-called Middle East problems had an effect on your firm?

Aikawa: The one that is biggest and most conspicuous is Kuwait. Just as we were about to begin $150 billion in plant construction, it faded out; but the one bright side of that bad news was that it had not reached the point where there would be any damage.

At the time of the Iran-Iraq war, we had built four 240,000 kilowatt stations in Iraq's remote Halsa area. It is on the border with Iran; but when we had it completed the war began, and all of a sudden rockets were hitting the boilers.

84

So, this was not the first war for us. When you do construction overseas, you run into all kinds of terrible things.

[Onaka] Since we are in a rapidly changing world situation, you always have to do business while thinking about the country risk, don't you. So now, how about the matter of EC unification, and Germany?

Aikawa: We are not too concerned about the matter of EC unification. I mean, because we are not selling much to Europe. Where we are selling is in the Middle East and Southeast Asia, China and Latin America, so that we don't sell much directly to Europe.

Still, in all sorts of ways we run up against the EC. Yet, we don't think we are losing out much. If, like the electronics makers or auto manufacturers, we were proceeding apace to put things into Europe it would be a problem, of course. But we have very little of that. Instead, when the EC builds its hothouse they'll all quit striving and buy from each other. Then, not having exerted themselves, might they not catch cold as soon as they go outside? (Laughs)

[Onaka] In that respect, a firm like yours that has struggled up until now and has done its work with the good sense gained from experience will determine the outcome on its own, won't it.

Aikawa: Because they are always joining up with the EC and catching fish in their fishing pond.

[Onaka] After all, it's best to be under strain, isn't it.

Aikawa: It is as though we are always surf fishing on a wave-beaten shore. (Laughs) We use good bait and, while facing the cold winds, catch fine fish.

[Onaka] Very fresh ones, I suppose.

Aikawa: That's why, insofar as our corporation is concerned, the EC question does not worry us much.

[Onaka] How about the effect of crude oil prices?

Aikawa: When crude oil goes up, we cannot build power plants. That is the toughest. So, it cannot be good for us if crude oil goes up. After all, oil is critical.

[Onaka] You'd like it cheaper. In that respect, you must hope that peace will quickly come to the Middle East.

All Operating Divisions Making a Profit

[Onaka] Currently, how are your business divisions doing?

Aikawa: First are ships and things connected with the sea. Next is steel construction (bridges, smokestacks, etc.), followed by machinery business such as motors, nuclear power, steel-working machinery and environmental equipment; industrial machinery such as for printing, tooling and paper-making, and then aircraft and space. After that is what we call general purpose equipment, mainly engines. Then there is cooling and heating, to complete our nine operating divisions.

We have one more which we call the construction and development operations division; but since these are operations inside the corporation it is not an operation oriented toward the outside. These nine operating divisions—all of them—will turn a profit this year. Steadily the red-ink operating divisions have disappeared so that this year we will not have a single operating division in the red.

At the same time, we have 14 enterprise sites; and last year all of them were in the black.

The call for all operating sites and operating divisions to make a profit began in the era when Chairman Yotaro Iida was president, so that bringing it to this point has taken 17 or 18 years.

[Onaka] Was that announced at the time Mr. Iida took office as president?

Aikawa: Mr. Iida spoke of having all products in the black. We don't yet have all our products in the black. (Laughs)

[Onaka] That is because you have new facilities investments and so could not have everything making a profit. And yet, making a profit by enterprise-site units is really glorious. I think that as this goes on your profitability may rise.

Aikawa: Our profitability is rather low; and considering our stock distribution, facilities investment, technology development and research and development it is all right if we have at least six to seven percent. It's important to increase our competitiveness when it appears we'll have a profit. If we try recklessly to make a profit our competitiveness will fall, so that we raise our competitiveness and try for stabilized operations.

Moreover, our business is installing electricity, hauling petroleum, making paper and printing newspapers; our products all are products of the economic base. Thus, if our prices go up, power charges will rise and the cost of oil will rise. So, we have to make things inexpensive as a social mission. Therefore, we must always keep the perception in mind that, rather than raising our profits, providing things cheaply will have a big impact on Japan's economic development.

[Onaka] You mean that is where the social responsibility of MHI rests, don't you.

Aikawa: That's right. Putting out newspapers cheaply, hauling petroleum cheaply, generating electricity cheaply. If we raise the price of steel-making equipment, that means the price of steel plate will go up. We keep the price of steel-making equipment down as much as possible and so lower the price of steel plate. After all, our products all are instruments of trade.

85

[Onaka] In order to lower your prices, technology development is needed. About how much do you invest in development costs annually?

Aikawa: It is $80 to $90 billion. Since our sales now are 2.2 trillion yen, that is about four percent.

[Onaka] Putting in that much all the time?

Aikawa: Because there are many things that are not material. (Laughs) Not all of the things that we invest in become something. And, there are things which we try that don't go well. Things like that are not what people see. So, what people see are the things that succeed, and they carry a considerable overall cost.

Have Even Bigger Flower Blossoms

[Onaka] Next, on your forecasts for the major sectors, how about ships?

Aikawa: We now finally have our passenger ship project on track, although it is in the red. When this turns a profit, we and the steamship companies will all do well.

[Onaka] Both sides have to do well.

Aikawa: It is just like electricity charges. If we make our passenger ships expensive, the other party can't make a go of it, so that we have to make the effort to work at getting our costs down.

And then, in steel construction, there are many bridges now.

[Onaka] You'd like to have the 420 trillion yen in public investments mostly made early?

Aikawa: We, too, are eagerly awaiting that. Our steel construction business is being done at four operating sections—in Yokohama, Kobe, Hiroshima and Nagasaki. However much it may increase, we can respond to it.

[Onaka] Motors are your own top specialty, aren't they?

Aikawa: With motors, the matter of location is quite difficult, so that the amount of construction increases. Therefore, we have to prevail by expanding exports.

Nuclear power is the same, with location being difficult, so that for this also we have to consider exports.

With either nuclear power or with motors, we have to have a little better understanding on the part of the public. They don't have the sense of peril because they cannot live without electricity. And, nuclear power issues have to be considered for the society overall and cover what we call energy.

As for steel-making equipment, at the present time we still have work. In this sector we are doing environmental installations—garbage incinerators and so forth.

[Onaka] The garbage problem may lie in technological innovation and expansion of operations; but what do you think?

Aikawa: Since this is a public enterprise, it is not something we would monopolize; but our company has the biggest share.

Also, our machine tools are very good now; but it is a sector where the peaks and valleys are numerous and we never know when a valley is coming. When conditions are good, we do well, and when it goes into a slump it suddenly turns bad.

[Onaka] It's the best barometer, isn't it. Is your involvement in printing a good one?

Aikawa: Terribly good, isn't it. We have added one plant. Our rotary presses for newspapers are increasing. We built a new plant at Mihara.

[Onaka] How is your specialty aircraft and automobile operations division doing?

Aikawa: For aircraft, the worldwide market is about 29 trillion yen. Because our share in the aircraft industry is small, the pleasure is great. This could expand without limit and get bigger depending on the effort we put into it; but the lead-in investments are huge. (Laughs) But, to put it another way: therefore Mitsubishi has to do it. I think this is our mission.

The category of general purpose engines puts us into close contact with the general public. Among these we do very well with air conditioners. The scale of our sales still has far to go, but I'd like for us to reach the top level in sales.

[Onaka] When we go through these this way, there are no negative data, are there. In that sense, I think you became president at a good time, and that you want to bring all the flowers into bloom and improve the substance of each operating division and enterprise site.

Aikawa: To make flowers bloom so that the blossoms are even bigger.

[Onaka] Because they're beautiful to see, and with your employees in that environment they have a sense of fulfillment from having done good work, and because it ties into MHI's future.

Did you become chairman of the Japan mechanical society, which is so important for the long term, at the same time that you assumed the position of company president?

Aikawa: Yes, it was in April of last year.

[Onaka] For the sake of Japan in the 21st century, I would like to see you build up this organization, and also cooperation between industry and academia.

Aikawa: Industrial-academic cooperation is something I'd like to do concretely. What I mean is that we speak of technical tie-ups, but it has not turned out to be of much utility. Everyone says Japan is the one that has forged ahead and its former partners in tie-ups are no longer providing any new technology. We have to develop things ourselves. For developing things ourselves we certainly will have to gather the knowledge ourselves. Thus, if there is good knowledge at the universities, I say provide it to us. However, instead of telling the universities to offer it, industrial circles may have to be the ones to make the approach.

[Onaka] That is true. Heretofore, even while saying give it to us, industry has made little use of it. Managers should go to the universities and make many opportunities to give lectures or otherwise have many contacts.

Aikawa: Let's increase our contacts. The chairman of the mechanical society serves a term of one year. So, I am doing my very best with the idea of somehow, during this one year, trying to build a pipeline for approaching them.

The makeup of the membership of the mechanical society is 70 percent from industry and 30 percent from the universities. However, industrial circles join in name only, and most do not have an active influence there.

[Onaka] It would be good if they took the occasion to be more active and to have an open dialogue.

Aikawa: To that end—for industry and the universities to draw close to each other—industry must open up its plants. Tell the teachers and students they can come any time. Without that, science and engineering students, more and more, will go off to the banks and security companies.

[Onaka] That's right. Even though Japan is a nation based on technology, if it leaves things as they are Japan's technological base will no longer be sustained.

Aikawa: Therefore, given that cooperation between industry and academia is a fine thing, I, as chairman of the mechanical society, would like somehow to have the science and engineering students who are not coming into the manufacturing industries come our way. To that end, when we achieve a new product I say always call upon a nearby university. We are energetically encourage them to come and see it.

[Onaka] On that, it's no good just to send over documents. What will work is meeting with them and showing them.

Aikawa: "This is the kind of thing we have made," we say. Or if we say, "This machine is now digging the tunnel under the Dover Strait," and we show it to them, they respond, "Is that so. Manufacturing is enjoyable after all, isn't it."

[Onaka] Because they wax romantic, "Well, shall I also try doing it?" they may say. So, the time when they graduate is too late. About the time that they are freshmen or sophomores I would like to see them have the factories opened up so that thereafter they would see them as work sites where they could really bring their dreams to life.

Aikawa: I am currently working hard on such a movement as chairman of the mechanical society.

[Onaka] I have great hopes for it. Thank you very much for coming here today.

Firm To Establish Drug Plant in PRC

OW1106102091 Tokyo NIHON KEIZAI SHIMBUN in Japanese 22 Apr 91 Morning Edition p 11—FOR OFFICIAL USE ONLY

[Text] The Mercian Corporation will produce anti-cancer drugs in China. It will establish a joint venture company in the Shenzhen Special Economic Zone, and a factory designed to produce the drugs exclusively will become operational in October. Mercian has been exporting finished products to China. With growing demand in China for its products, Mercian has decided to begin local production. In the future it will also export products to Hong Kong and other markets. The new firm in Shenzhen will become Mercian's center of fine chemical business in Asia.

The company, "Shenzhen Wan Le Yao Pharmaceutical Company," is capitalized at $2.3 million (300 million yen [Y]). Mercian, Shenzhen Pharmaceutical and Medical Factory, and the Wan Lian Hang Company of Hong Kong each have invested equally in the company.

The company has secured a 4,200-square meter plot of land in the economic zone, and construction of the plant has begun. It will cost Y500 million.

The anti-cancer drugs to be produced include acralbicin hydrochloride and piralbicin hydrochloride which are sold in Japan. Both are antitumor antibiotics of an anthracycline system and are effective in treating breast cancer, uterine cancer, and malignant lymphadenoma. In Japan, sales of these drugs total Y1 billion so far.

Mercian will produce chemical compounds for the drugs at its Yashiro factory in Kumamoto Prefecture and will turn them into finished products at the joint venture plant. The company's goal is to produce Y1 billion worth of products in its first year and Y2 billion worth by the third year. It hopes eventually to implement total process production of these drugs in China and add other products.

There are some 6 million cancer patients in China, 10 times as many as in Japan. Among the Japanese firms in the field, Meiji Seika Kaisha set up a joint venture factory in Shantou Special Economic Zone, Guangzhou Province, last year and is producing anti- cancer medicine "doksolbicin hydrochloride." Mercian believes that there still is a lot of room in the China market.

Joint Lease Company To Open in Liaoning, China

OW1106052491 Tokyo NIHON KEIZAI SHIMBUN in Japanese 9 Jun 91 Morning Edition p 1—FOR OFFICIAL USE ONLY

[Text] Five government and private financial institutions of Japan, China and South Korea, including the Nippon Credit Bank, Ltd, will form a joint lease company in China's No. 1 heavy industrial area, Liaoning Province, this autumn. China does not have diplomatic relations with the ROK and has not allowed joint ventures with South Korean companies in the past. However, after the setting up of trade representative offices in Beijing and Seoul early this year, bilateral relations are leading toward normalization. Due to vigorous persuasion on the part of Japan, China has come to approve of this trinational joint venture.

The joint venture, "Far East International Lease Company, Ltd" will be set up in Shenyang City, Liaoning Province and will be capitalized at $10 million. Heads of the five investing firms, including President Takeuchi of the Nippon Credit Bank, met in Beijing on the evening of 8 June and signed the basic agreement on the joint venture.

The Nippon Credit Bank will provide 30 percent of the capital, while its subsidiary Crown Leasing is to pay up for 10 percent (making a total of 40 percent for the Japanese side). On the other hand, the Chinese Government's People's Construction Bank of China will provide 30 percent of the capital, while a state trading firm, the China National Chemicals Import and Export Corporation (SINOCHEM), 20 percent (making a total of 50 percent for the Chinese side). On the South Korean side, the Korea Industrial Lease, a subsidiary of the government bank, the Korea Industrial Bank will provide 10 percent of the capital. An executive from the Nippon Credit Bank will serve as the general manager (president), while the board chairman will come from the Chinese side.

For the time being, the joint venture's business will concentrate on lease of factory equipment and vehicles, and will engage in transactions mostly with major Chinese industries, such as the steel and automobile industries. In the future, it will consider providing loans for equipment imports of Chinese enterprises through its ties with SINOCHEM. In Liaoning Province, where the joint venture is to be located, there are major steel complexes in Anshan and Benxi, while an automobile factory is also being constructed. The joint venture plans to expand its business activities to all major cities in China, and to neighboring Asian countries in the future.

In consideration of the DPRK's (North Korea) position, China has consistently refused to recognize "two Koreas." Trade activities with the ROK have been conducted via Hong Kong. However, trade representative offices have been established in China and the ROK early this year, and economic exchanges have expanded rapidly. Such moves toward the normalization of relations between China and South Korea are believed to be behind the acceptance of capital from an ROK government company in this joint venture.

While investments by Western private companies in China have been recovering after the meeting of leaders of the advanced countries (Houston Summit) abrogated the economic sanctions against China in July 1990, business circles are still taking a cautious attitude. China is suffering from a grave shortage of capital to invest in equipment and has been appealing to the Asian Development Bank and other financial institutions for financial assistance. China also has great expectations on financial support from the Japanese financial sector. The People's Bank of China (Central Bank) has approved the applications by the Industrial Bank of Japan and the Sanwa Bank Ltd to open branch offices in Shanghai.

Mongolia

Central Committee on Property Privatization Law

OW1106000991 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1346 GMT 10 Jun 91—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, 10 Jun (MONTSAME)—The MPRP [Mongolian People's Revolutionary Party] Central Committee has come out with a document, in which its position on the problems of realization of the law on privatization of the MPR [Mongolian People's Republic] property is stated.

Our party considers that the existence of many forms of property is the basis for the organization of just competition in economy, public production increase and improvement of the supply of population with goods and rendering services. Thus the realization of the law on privatization of state property should be directed at the recognition of many forms of property, is said in the document. It's also pointed out that privatization of property is for the promotion of the strengthening of proprietary attitude among masses towards property, acquiring new methods of management by people, raising the labour efficiency and quality and of improving living standards of population.

Privatization should be carried on on true and just basis, in conditions of openness and democracy, resting upon the public view and control. Privatization shouldn't have such negative consequences as the growth of unemployment, illegal concentration of state property in the hands of a few smart dealers, polarization of people on "rich" and "poors," is said in the document.

The MPRP Central Committee considers that state property is still of a great importance in stabilization and development of the country's economy. In this connection it points out that power and fuel industry, centralized system of water supply, railway and airway transports, communication, radio, TVs central bank, meteorological service, basic branches of science, education, culture, art, health protection and main enterprises, producing export goods should remain as a state property and be under the state control.

The document stresses that the use of a single scheme of privatization of state property and property of agricultural cooperative farms shouldn't be allowed. In agricultural cooperative farms a lease-holding system should be improved and only a part of their property should be privatized, which will prevent the abolition of such farms and raise their competitiveness in market conditions. A question on property of agricultural cooperative farms should be solved only by the majority of their members.

Privatization of property in the end should be directed at making working people real owners of property, guaranteeing their living standards, providing economic security and furthering the development of the country, is said in the document.

Romanian Foreign Ministry Delegation Visits

OW1006234691 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1358 GMT 10 Jun 91—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, 10 Jun (MONTSAME)—The delegation of the Ministry of Foreign Affairs of Romania, headed by Gheorghe Tinca, vice-state secretary of the Ministry of Foreign Affairs, has paid a working visit to Mongolia. During the visit the Romanian delegation was receivevd by K. Zardykhaan, vice-chairman of the MPR [Mongolian People's Republic] State Small Hural, and T. Gombosuren, external relations minister of the country, during which the sides have informed each other about the process of perestroyka and renovation in the two countries, exchanged their views on the international situation and bilateral relations.

The sides have [word indistinct] a programme of realization of the intergovernmental Mongol-Romanian agreement on scientific and cultural cooperation for 1991-1993. The document was signed by H. Behbat, vice-minister of external relations of the MPR, and Gheorghe Tinca, vice-state secretary of the Ministry of Foreign Affairs of Romania.

Academic Suggests Economic Measures

OW0806131791 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1150 GMT 8 Jun 91—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, June 7 (OANA-MONTSAME)—Using the name of Marx as a cover, we had been building by ourselves a "model" society, and had been defining its regularities, trying on this basis to explain its present development. Do we lead this way of thinking then? Or do we choose another course? In my view, it's important to study the present state of things objectively without false colouring, to go into the heart of it from the point of view of real life, is said in the article by a candidate of economic sciences S. Nyamzagd on the ways of getting over the crisis in country's economy. The article is published in the newspaper "IL TOBCHOO" ("GLASNOST") [OPEN COMPILATION], which is being issued by MONTSAME agency.

The author considers that the country's economic crisis is connected with transition from one system to another and that it could not be avoided in any case. According to S. Nyamzagd for overcoming the crisis in Mongolian economy it's necessary to direct all efforts and means to technical and technological modernization of economic branches, create favourable conditions for preceding transition of agriculture to market economy, first of all, animal husbandry—the basic economic branch of Mongolia. In the author's view, the government has to take consecutive measures against inflation of national currency, on stimulating foreign investments, improving discipline and order at production units. A successful transition of the country to market economy and getting out of the economic crisis will depend on this to a greater extent, writes the author.

Engineers' Society Holds First Congress

OW1106000791 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1338 GMT 10 Jun 91—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, 10 Jun (MONTSAME)—Urgent tasks of engineers and technical specialists of Mongolia under conditions of transition to market economy were discussed at the first congress of the Mongolian Engineers' Society. The congress has completed its work today.

The congress has stressed that the Mongolian Engineers' Society should focus its attention on protection of interests of engineers and technical specialists, working in different economic branches of the country, and defined its role in carrying on technical and technological renovation in Mongolia. D. Byambasuren, MPR [Mongolian People's Republic] prime minister, has made a speech at the congress. He has accentuated the attention on the role and tasks of Mongolian engineers in taking the country out of the economic crisis and in their contribution to the development of Mongolia.

The delegates to the congress unanimously have adopted the programme and the rules of the society, after wide discussions.

The congress has considered an organizational question and elected a doctorate and a professor C. Avdai the chairman of the society.

MONTSAME Reviews Press

OW1106001091 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1256 GMT 10 Jun 91—FOR OFFICIAL USE ONLY

["Mongolian Press Review"]

[Text] Ulaanbaatar, 10 Jun (MONTSAME)—The newspaper "ARDYN ERH" publishes an information about the continuing growth of unemployment in the country. According to the paper, by the 1st of June this year the number of the unemployed has reached 36 thousand in the country, not including Selenge Aimag as no information was received from it. Over 55 percent of the unemployed are women. Only this May the number of the unemployed has increased by over 2.8 thousand, 24.5 percent out of which have lost work because of the abolition of this or that establishments and organizations and reduction of staffs.

The paper informs about the measures are being taken for the reduction of unemployment in Bayan-Ulgii Aimag, which is the next after the capital by the number of the unemployed. According to H. Barboltai, director of the Aimag labour exchange, the new small enterprises are being founded here, people are being drown [word as received] in organizing of public services and amenities of cities and settlements for the creation of workplaces. H. Barboltai considers that the foundation of free economic zones taking into consideration an availability of natural resources is of great importance in the reduction of unemployment.

"ARDYN ERH" informs that an agreement on the activity of Mongol- Soviet joint mining enterprise " Erdenet" and the joint economic organization, Mongolsovtsvetmet" was signed in Moscow.

According to the newspaper E. Batuul, chairman of the Mongolian Democratic Party, has announced that the party as a whole supports the draft of the country's great code of laws and the Constitution at the press conference, which was held at the press centre of the MPR [Mongolian People's Republic] External Relations Ministry. E. Batuul has pointed out that it's necessary to speed up the privatization of property, solve the problem of prices, draw private enterprises, firms and cooperatives into economic life of the country more actively, abolish the debts of agricultural cooperative farms and to (?stop) state purveyances on products of cattle-breeding farms.

Questions on privatization of property in agriculture are being widely discussed in the newspaper pages. B. Gochoodorj, staff member of the Supreme Council of the Union of Agricultural Cooperative Farms, considers that the achievements of these farms shouldn't be fully denied and the question on privatization of their property should be solved only by their members. S. Enhamgalan, deputy of the MPR Great People's Hural, notes that the processes of renovation and democrati economic security and furthering the development of the country, is said in the document.

North Korea

Tourist Official on Western Cultural Influx

OW0806001991 Tokyo TOKYO SHIMBUN in Japanese 25 May 91 Morning Edition p 11—FOR OFFICIAL USE ONLY

[Interview with Pak Kyong-yun, chairwoman of North Korea's Kumgangsan tourism group, by TOKYO SHIMBUN correspondent Toru Sakuwa in Pyongyang]

[Text] [Sakuwa] You were instrumental in the recent first direct flight from Nagoya to the DPRK. What is your next plan?

[Pak] On the heels of Hong Kong and Japan, my next plan is to establish a direct flight from Taiwan as soon as possible. It is still premature to have a direct flight from the United States. Tourists from the United States, who come to North Korea by way of Japan, are quite welcome. However, at the present time, positive efforts are being made to attract tourists from Asian nations of the Western world.

[Sakuwa] Are systems and preparations progressing smoothly to accept Western tourists?

[Pak] The Kumgangsan Group is building a (1,100-room, 48- story) hotel on Yanggakto in the heart of Pyongyang. The hotel is scheduled to open on 15 April just in time to celebrate the 80th birthday of President Kim Il-song. There will be casinos, night clubs, and karaoke, with Western tourists in mind. I want to bring in genuine casino workers from Macao, if possible.

[Sakuwa] As a result, Western culture will find its way into North Korea...

[Pak, interrupting] It cannot be helped. The North Korean Government wants foreign currency and is positive toward opening itself for tourism. Therefore it does not constitute any problem. I could set up the direct flight from Japan because the North Korean Government was in support of my tourism development project as a matter of course. I am carrying forward tourism development by the persuasion of the North Korean Government that it is far better to earn foreign currency by using North Korean nature and tourism resources as they are than by earning foreign money from nurturing export industries causing environmental pollution and destruction of environment.

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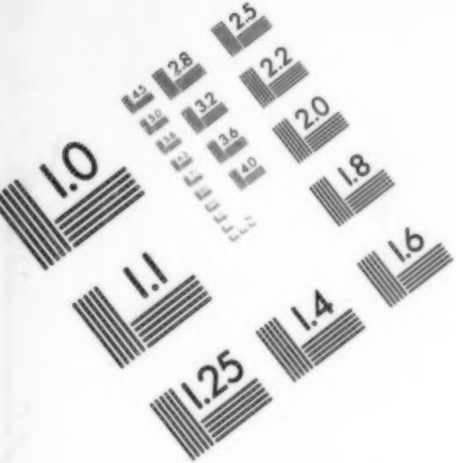
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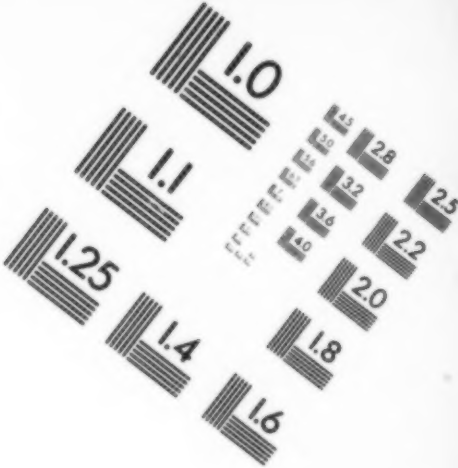
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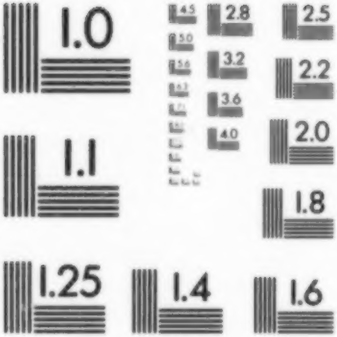
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